



Canada Revenue
Agency

Agence du revenu
du Canada



2018-19

DEPARTMENTAL PLAN

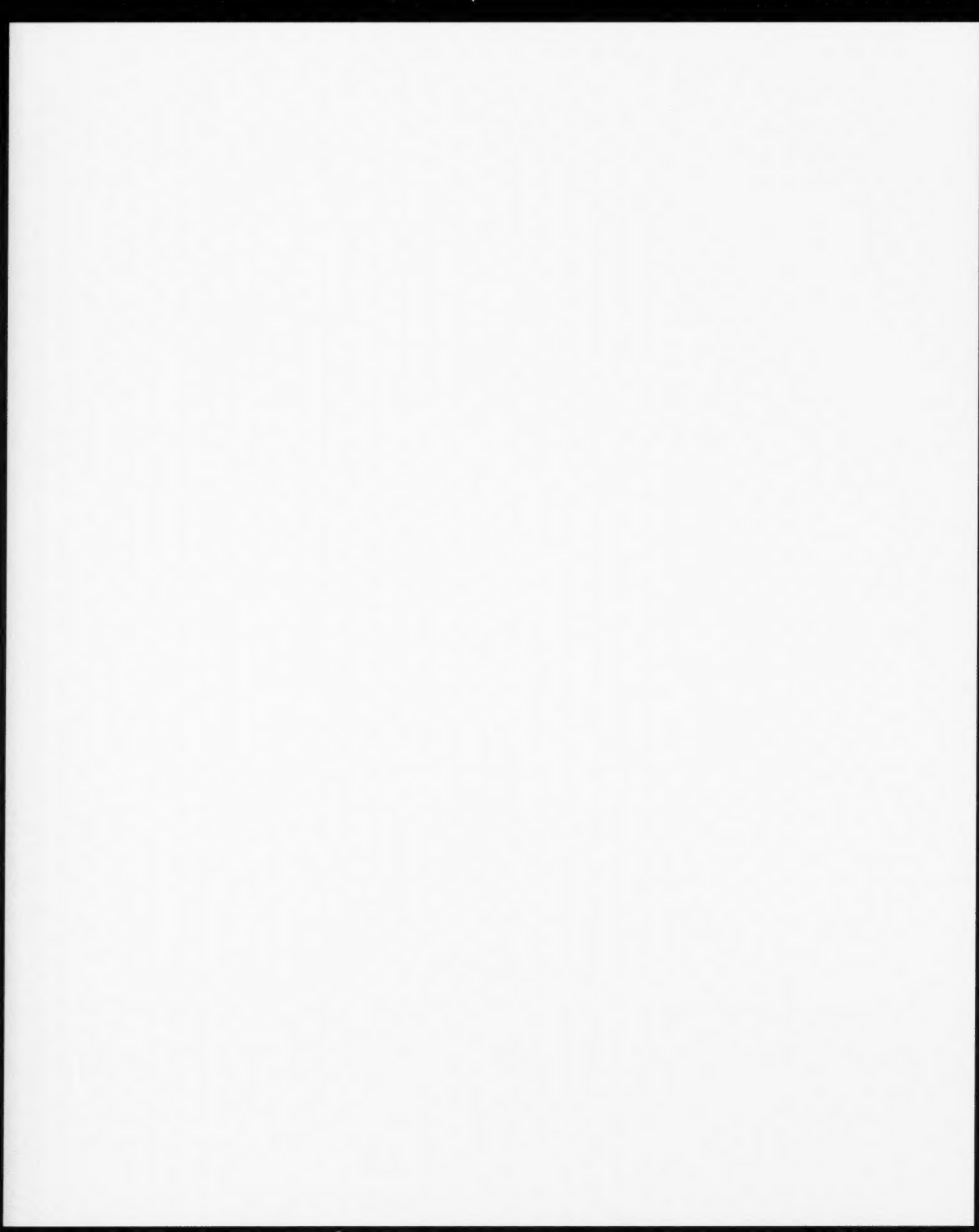
The Honourable Diane Lebouthillier, P.C., M.P.
Minister of National Revenue

Canada

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A MESSAGE FROM THE MINISTER

The Honourable Diane Lebouthillier, P.C., M.P.
Minister of National Revenue



This Departmental Plan shows how the CRA, through innovation and the services it offers to Canadians, is striving to be a world-class tax and benefit administration. We face many challenges, and I am proud of the tremendous work that the Agency's 40,000 employees are doing. I am especially proud of their ongoing efforts to improve and expand the services the CRA offers, and to implement more effective, fair and efficient compliance measures to protect Canada's revenue base.

In my role as Minister, I especially want to see the CRA exemplify service excellence in all aspects of its operations. The Fall 2017 Report of the Auditor General on the operations of our call centres shows that we do not always provide Canadians with the help they need to meet their tax obligations. The report greatly concerned me. My ministerial mandate focuses on the importance of treating taxpayers and benefit recipients as valued clients and not just as taxpayers. To this end, the Agency will improve the services it provides to Canadians so that clients receive the assistance that they deserve and rightly expect. I will also ensure progress is closely monitored.

The CRA is taking action on a number of fronts on issues related to service and outreach, most notably in how we are working to offer better support to Canadians who live in remote communities and to Indigenous peoples. Initiatives to improve our service and outreach over the next three years include: taking concrete and meaningful steps to make CRA services to northern residents more helpful and easier to use; supporting the Government's goal of renewing and establishing a better relationship with Indigenous peoples; and expanding the popular and very useful Community Volunteer Income Tax Program, allowing individuals with a modest income and simple tax situation to get help with their taxes from a local community organization.



The CRA is taking action on a number of fronts on issues related to service and outreach.

The Honourable Diane Lebouthillier

Growing and strengthening the middle class has been a key priority for the Government. The Canada child benefit (CCB), administered by the CRA, has been instrumental in achieving this goal. The Government's Fall Economic Statement suggests strengthening the CCB by increasing the benefits annually to keep pace with the rising cost of living. Indexing the CCB for the 2018-2019 benefit year will provide an additional \$5.6 billion in support to Canadian families from 2018 to 2023. The CRA, in administering these benefit payments, will therefore continue to play a vital role in supporting Canadian families and reducing child poverty.

Meanwhile, Canadians can be assured that the Agency is taking action against those who seek to evade, or aggressively avoid, their tax obligations. Further to recent revelations in both the Panama Papers and Paradise Papers, we undertook major work and invested significant funds to crack down on tax evasion and aggressive tax avoidance. Our goal is to ensure a fair tax system and a level playing field for all Canadians. Non compliance with Canada's tax laws will not be tolerated as it erodes the integrity of the tax system. Readers of this Plan will see how the CRA is continuing to combat the underground economy within Canada as well as continuing to focus attention on reviewing, risk-assessing and, where warranted, auditing the offshore accounts of Canadians.

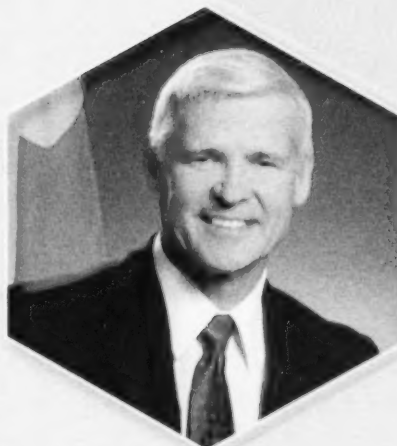
I am confident this Plan outlines how the CRA will deliver on the Government's and the Agency's goals of improving service to Canadians and enhancing compliance with Canada's tax laws. It also provides an excellent roadmap for the CRA's journey to becoming a truly world-class tax and benefit administration. As Minister of National Revenue, and on behalf of the Canada Revenue Agency, I am very proud to present the Agency's Departmental Plan 2018-19.

The Honourable Diane Lebouthillier, P.C., M.P.

Minister of National Revenue

A MESSAGE FROM THE COMMISSIONER

Bob Hamilton
**Commissioner of the
Canada Revenue Agency**



The Canada Revenue Agency's (CRA) Departmental Plan 2018-19 sets out the Agency's expectations and priorities for the next planning period. I believe it demonstrates that our organization is implementing initiatives to seize opportunities and meet current and anticipated future challenges.

Given the significant impact that the CRA has on the lives of Canadians – from the hundreds of billions in tax revenue we collect every year to the billions in credit and benefit payments we administer annually – we need to achieve excellence in everything we do. We are doing a good job in many aspects of our operations, but we also know that we must improve as we strive to be a world-class tax and benefit administration. The Fall 2017 Report of the Auditor General on our call centre operations highlights one area where we are not meeting the needs and service expectations of Canadians. Going forward, we must show that we are willing and able to do what is necessary to improve our service and demonstrate that we have the capacity to adapt and innovate in a world of rapid technological and demographic change.

The Agency's Digital Services Modernization Strategy will provide Canadians with a world-class service experience that is focused on the user, is secure, and digital from end-to-end. Innovation will be key to ensuring that we continue to provide taxpayers and benefit recipients with the best possible service. Canadians are increasingly spending more time on smartphones and tablets and less time on personal computers. The CRA is responding to this trend and is already developing innovative solutions to ensure that our digital services and content remain accessible to all devices without compromising the security of the information entrusted to us.

We are nevertheless also aware of the need to provide services that are accessible to our most vulnerable citizens; not every Canadian has access to digital devices. We want to ensure that no Canadian is left behind and that different channels of communication are available to everyone. Our Community Volunteer Income Tax Program and our Liaison Officer Initiative are two of the ways in which we are successfully reaching out to Canadians who need our support.

The small proportion of taxpayers who fail, intentionally or not, to comply with tax laws remains a challenge for the CRA, as it does for tax administrations around the world.



I want to see the Agency break down the silos that exist within some parts of our organization and foster increased cooperation between branches and programs.

Bob Hamilton

Increasingly the Agency is relying on the use of business intelligence (BI) and data analytics to help us identify taxpayers at highest risk of being non-compliant. The Agency intends to further develop its capacity in these areas. Making greater use of BI and developing our application of advanced analytics will serve to inform new ideas and approaches to compliance, predict future trends, and help us to better tailor and time our compliance interventions for the best results. Our continued leading role in the Forum on Tax Administration is also helping us in our compliance efforts as we work with tax administrations around the world to address issues related to base erosion and profit shifting and aggressive tax planning by multinational corporations. Our initiatives to improve compliance are an important way that we can provide trust and confidence in the tax system to Canadians.

The focus of our planning is on serving taxpayers and benefit recipients and adopting a client-based focus. On the path to being world-class, however, we must also look inward and work towards making changes in our workplace culture. I want to see the Agency break down the silos that exist within some parts of our organization and foster increased sharing and cooperation between branches and programs. One initiative within the Agency that is already helping to do this is our sharing of BI across program areas as we attempt to understand non-compliant taxpayer behaviour and better target our compliance and collections activities.

I feel fortunate to lead such a dynamic organization, one that was recently recognized as being one of Canada's Top 100 employers. This Plan shows how the CRA and its workforce are taking concrete action to improve our service, deliver on government-wide and Agency priorities and how, in the process, we are striving to be a world-class tax and benefit administration. As the environment in which we operate continues to evolve, we will continue to pursue excellence, doing what we need to do to provide the best possible service to taxpayers and benefit recipients, and protect and maintain Canada's revenue base.

Bob Hamilton

Commissioner of the Canada Revenue Agency

Section 1

Plans at a glance

Overview

The Canada Revenue Agency (CRA) is responsible for administering hundreds of billions of dollars in taxes annually. The tax revenue it collects is used by federal, provincial, and territorial governments to fund the programs and services that contribute to the quality of life of Canadians. The CRA also delivers billions of dollars in benefits, tax credits, and other services that support the economic and social well-being of Canadian families, children, and persons with disabilities.

CRA AT A GLANCE

- > 28.8 MILLION INDIVIDUAL AND 2.4 MILLION CORPORATION INCOME TAX RETURNS FILED
- > \$499.8 BILLION IN TAX PROCESSED
- > 86%¹ OF INDIVIDUAL AND 89% OF CORPORATION INCOME TAX RETURNS FILED DIGITALLY
- > 12.4 MILLION BENEFIT RECIPIENTS
- > \$31.8 BILLION IN BENEFITS PAID
- > WORKFORCE OF APPROXIMATELY 40,000 EMPLOYEES
- > \$4.205 BILLION PLANNED SPENDING FOR 2018-2019

Our environment

Canadian society—along with the business and political landscape worldwide—is evolving at an ever-faster rate as a result of technology, demographics, changing societal values, and economic realities. Today's world is one in which businesses must compete globally for talent and markets; the public expects services to be available 24/7—from any location and any technology—and governments must actively collaborate internationally to protect their revenue streams from abusive tax avoidance. In this fast paced environment, tax administration is a key enabler of government objectives.

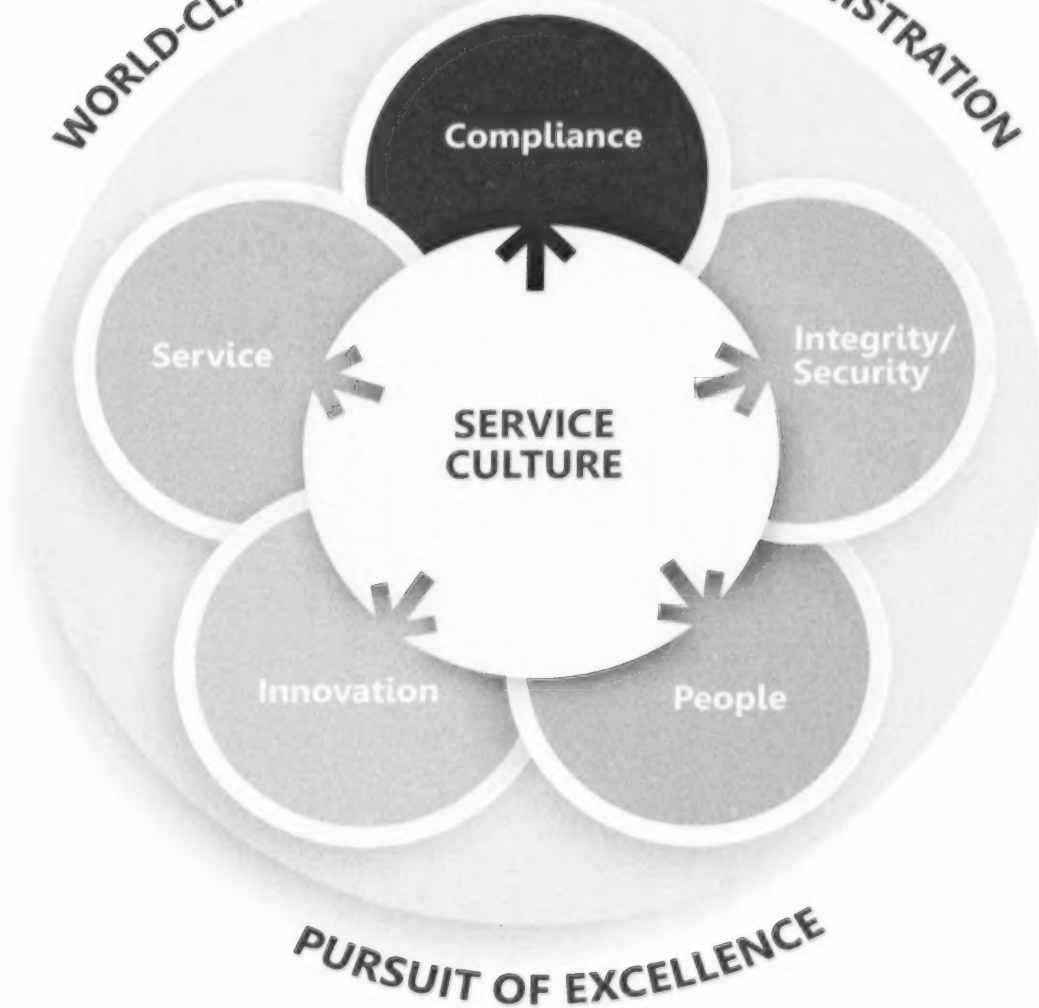
The borderless nature of modern commerce creates increasing complexity for tax administrations as it becomes less clear where income is earned and where tax should be paid. In addition, the emergence of blockchain technology applications have expanded from digital currencies to a diverse array of industries. Meanwhile, entities offering digital financial services, involving e-money and peer-to-peer lending, stretch the bounds of current monetary and tax policies. However, the reach of globalization goes beyond large corporations: tax agencies must also consider cross-border compliance by individuals and small businesses. Tax administrations, including the CRA, are responding to this new reality.



The Canada Revenue Agency (CRA) often focuses on evidence-based experimentation in its delivery of services, recognizing that innovation is essential in order to discover new ways to address issues that traditional approaches have not solved. Through innovation and experimentation the CRA seeks to ensure that it continues to fulfil its mandate and provide taxpayers and benefit recipients with the best possible service. To this end, the CRA has established a business solutions lab that oversees the development of experimental methods and that acts as a catalyst for new approaches across the Agency.

1. According to tax season 2017 results.

WORLD-CLASS TAX AND BENEFIT ADMINISTRATION



Internally, the Agency is working diligently to overcome additional, distinct challenges. The recent implementation of Service Renewal necessitated unprecedented volumes of newly hired staff, all requiring training and a learning period which temporarily reduced productivity. These short-term problems, however, were foreseen and planned for accordingly, and Service Renewal was designed as a long-term strategy to increase future productivity at the Agency. Issues raised by the Auditor General regarding accessibility to our call centres, the accuracy of information provided to callers, and the reporting of results, will need to be addressed. Ongoing difficulties with the Phoenix pay system, and employee engagement issues related to a modernization exercise in the Greater Toronto Area are other examples of challenges that require a constant capacity to adapt and adjust.

Our pursuit of excellence

As a modern and successful tax administration, the CRA continues to make significant changes to the way it does business so that our compliance activities, our services to the public, and our business processes can deliver results for Canadians. The Agency has made it a priority to seek out opportunities to try new ideas, adapt to new technology, and apply innovative techniques to achieve solutions, including behavioural economics, advanced data analytics, and qualitative research. We are particularly dedicated to reaching out to Canadians to heighten awareness of benefits and credits available through tax filing and support those who need help to meet their tax obligations through initiatives like our Community Volunteer Income Tax Program. These volunteers assisted over 700,000 eligible individuals with a modest income prepare income tax and benefit returns during the 2017 filing season. Each year, the CRA contacts thousands of Canadians and businesses to seek their views about how the Agency can interact with them in ways that are more fair and helpful, and make it easier to access our services.

What we have learned from these consultations is that, to remain in step with Government of Canada priorities, technology, and taxpayer behaviour, the Agency must become a more agile and innovative entity. We must do this to maintain our capacity to provide effective and efficient services within a global business and tax environment of growing complexity that poses both opportunities and challenges to government and tax administrations worldwide. For these reasons, the CRA has launched two ambitious initiatives, world-class tax and benefit administration and improving our service culture, to guide us as we continue to strive for excellence and ensure that we remain a dynamic organization.

World-class tax and benefit administration

To maintain public trust and keep pace with the evolving expectations of our clients and stakeholders, ensuring that our organization is world-class is an overarching objective. The CRA is continually anticipating, managing, and adapting to new and emerging challenges. The Agency has already demonstrated excellence in making information and tools available to taxpayers and benefit recipients in ways that best suit their needs, abilities and preferences. In enforcing compliance and protecting Canada's revenue base, the Agency strives to improve its compliance strategies both domestically—in shining a light on the underground economy—and internationally, where we are tracking those who attempt to hide assets offshore to avoid paying taxes in Canada.

To judge the capacity and ability of the CRA to achieve and sustain the high degree of excellence expected of a world-class tax and benefit administration, we are measuring ourselves against international benchmarks and other objective standards. A foundational piece of our self-assessment will be the International Monetary Fund's Tax Administration Diagnostic Assessment Tool that we will use to assess key performance outcome areas common to all tax administrations in a standardized and objective way. Engaging our workforce is another of the ways in which we are assessing whether our organization meets our own standards of excellence. The Agency is also comparing itself to other tax administrations by examining existing literature, from public opinion research to audit findings, and by seeking input from outside the Agency.

We recognize that political, economic, social and technological change affects what it means to be a world-class tax and benefit administration, and ensuring we are world-class will prepare us to meet these challenges in the future. In short, the Agency's World-Class Tax and Benefit Administration initiative seeks to identify meaningful measures that will allow us to confirm where we are world-class and, more importantly, strengthen those areas that require improvement.

Service culture

Developing and strengthening a culture of service at the Agency is another overarching initiative that the CRA is pursuing. Trust in public institutions is vital for government to function and serve society well. For the Agency, trust is critical to sustained voluntary compliance with Canada's tax laws. As it strives to be a world-class tax and benefit administration, we have committed to explore how it can overcome any barriers to service excellence so that voluntary compliance is supported and sustained.

The CRA is looking at how improvements in service can be achieved at all levels, strategic, operational, and cultural. Operational improvements mean that the CRA will be providing Canadians with new and innovative services to make it easier for them to interact with us. At the strategic level, the Agency's focus will be on ensuring that policies, programs, and services are designed and implemented with the user of the service at the centre. In strengthening service culture, we will be looking at how we can best foster a productive and engaged workforce where employees feel a sense of responsibility, and are supported, to serve others.

Our service culture initiative seeks to establish a common mind-set for service excellence amongst all CRA employees, and to ensure that our workforce puts the people we serve at the centre of our thinking. This includes the people who are served by the Agency as well as how employees serve each other. Over the period covered by this plan, our commitment to service excellence will be integrated and reinforced in all aspects of CRA operations and will support our ability to remain adaptable to future needs. Strengthening service culture at the Agency will play a significant role in improving the public's trust in us and, in turn, will strengthen and sustain Canada's system of voluntary compliance and the timely payment of benefits to those who are eligible.

Gender-based Analysis Plus (GBA+)



Gender equality, diversity, and inclusion are key priorities for the Government of Canada. During our examination of the impacts of government policies, programs, and initiatives, Gender-based Analysis Plus (GBA+) provides a lens through which we take into consideration the diversity that exists among our country's inhabitants beyond separating Canadians into two categories ("men" and "women"). GBA+ also takes gender into account in relation to other demographic variables, such as age, income level, language, and geographic location. The CRA is committed to promoting GBA+ as part of good program analysis and informed decision-making, and applying GBA+ to all federal government proposals to ensure improved outcomes for all Canadians.

How to read this plan

This plan has two sections that set out the strategies and initiatives the Agency will pursue to protect Canada's revenue base and support the economic and social well-being of Canadians. A third section, entitled Internal Services, describes the more global objectives the Agency will undertake over the planning period in areas of management that are horizontal in achieving our mandate, such as people and information technology.



Core business priorities

The core business results the CRA expects to achieve over the next three years are aligned with the Agency's established priorities of service, compliance, integrity and security, innovation, and people.

Service

The CRA is dedicated to providing Canadians with services that are effective and responsive to their needs. The Agency continually seeks ways to make it easier and more convenient for individuals and businesses to comply voluntarily with Canada's tax laws and receive the benefits to which they are entitled. We are working to simplify the language of our correspondence, streamline our processes, and add to the menu of services we provide to the public through a variety of channels. The CRA aims to offer services that are easy, helpful, fair, and consistent because we want people who interact with us to feel like valued clients, not just taxpayers.

Compliance

The CRA works with individuals and businesses to help them meet their tax obligations and pay what they owe. Most Canadians comply with tax and benefit requirements; for example, in 2016-2017, 91% of all individuals filed and paid their taxes on time. The goal of the Agency is to protect the integrity and fairness of our self-assessment tax system by identifying, addressing, and deterring those who do not abide by Canada's tax laws for registration, filing, reporting, withholding, and debt payment. With a focus on the highest-risk taxpayers nationally and internationally, and an increased ability to gather information, the CRA can target taxpayers who try to hide their income and circumvent their tax obligations.

Integrity and security

The CRA recognizes the importance of maintaining Canadians' trust and is committed to protecting the data we receive. Canadians rely on the Agency to exercise the highest level of security to protect their personal information. They also have every right to expect Agency employees will perform their duties with the utmost integrity thanks to our strict code of integrity that extends to post employment. To this end, protecting taxpayer information and the security of the Agency's networks and electronic services remains paramount. Looking ahead, the CRA will continue to implement measures to protect the personal information of taxpayers and benefit recipients from inappropriate access and from increasingly complex cyber-security threats.

Innovation

The CRA fosters innovation to ensure it continuously improves services for Canadians and protects Canada's revenue base. From our information technology infrastructure, to our use of business intelligence, to how we manage our resources, we are committed to turning good ideas into successful solutions. By intelligent risk-taking principles, the Agency tests new ideas and approaches to the ways in which we deliver our programs and services and assess whether desired results are achieved. Without innovation and change, the CRA would not be able to adapt to social and technological changes as they occur, or respond adequately to the needs and expectations of Canadians. Over the planning period, we will continue to seek out opportunities to try new ideas, adapt to new technology, and continuously improve the way the Agency provides services to Canadians.



People

The success of the CRA as a trusted tax and benefits administration relies on a diverse, highly skilled and experienced workforce of more than 40,000 people, working in communities across Canada to administer Canada's tax and benefit programs with proficiency and integrity. Leadership development, actively recruiting for specialized skills—such as forensic accounting, project management, and data analytics—and enhancing the workplace environment (e.g., flexible work arrangements) are three key priorities for the Agency over the next three years. We will also continue our recruitment efforts to attract and retain the workforce the Agency needs to deliver timely client-centred service, crack down on tax evasion and tax avoidance, and improve collections. Our focus on talent management and building the Agency's leadership capacity will help to sustain a healthy, productive and high-performing workforce that can deliver on Government of Canada priorities, meet current and future business needs, and strive to provide the best possible service to all Canadians.

* For more information on the CRA's plans, priorities and planned results, see the "Planned results" section of this report.

Taxpayer Bill of Rights

**YOU
HAVE
THE
RIGHT
TO**

- receive entitlements and to pay no more and no less than what is required by law
- service in both official languages
- privacy and confidentiality
- a formal review and a subsequent appeal
- be treated professionally, courteously, and fairly
- complete, accurate, clear, and timely information
- unless otherwise provided by law, not to pay income tax amounts in dispute before you have had an impartial review
- have the law applied consistently
- lodge a service complaint and to be provided with an explanation of our findings
- have the costs of compliance taken into account when administering tax legislation
- expect us to be accountable
- relief from penalties and interest under tax legislation because of extraordinary circumstances
- expect us to publish our service standards and report annually
- expect us to warn you about questionable tax schemes in a timely manner
- be represented by a person of your choice
- lodge a service complaint and request a formal review without fear of reprisal

COMMITMENT TO SMALL BUSINESS

**THE CANADA REVENUE
AGENCY IS COMMITTED TO**

• administering the tax system in a way that minimizes the costs of compliance for small businesses

• working with all governments to streamline service, minimize cost, and reduce the compliance burden

• providing service offerings that meet the needs of small businesses

• conducting outreach activities that help small businesses comply with the legislation we administer

• explaining how we conduct our business with small businesses

Section 2

Planned results

Tax

CORE RESPONSIBILITY

Description: To ensure that Canada's voluntary self-assessment tax system is sustained by providing taxpayers with the support and information they need to understand and fulfill their tax obligations, and by taking compliance and enforcement action when necessary to uphold the integrity of the system, offering avenues for redress whenever taxpayers may disagree with an assessment/decision.

Service

The CRA recognizes the importance of helping Canadians get it right the first time no matter what channel they choose to use to interact with us. Our aim is to provide high quality services to Canadians in ways that best meet their needs regardless of what leads them to come into contact with the Agency. This means proactively sharing information so taxpayers are aware of changes affecting them, understand their options, and receive the information and support they need to meet their tax obligations. In pursuit of constant improvement of our services, we are seeking out and analyzing feedback from individuals, businesses, and the charitable sector. The Agency has made major investments in advanced analytics and technology to develop and implement innovative, flexible, and strategic approaches to simplify access to our services and minimize the administrative burden on taxpayers.



We are consulting with Canadians and improving our communication products, so all Canadians can understand tax filing and their specific situations.

As our use of technology and analytics becomes more sophisticated, the Agency is increasingly targeting its services to taxpayers who may need a helping hand, like new Canadians, Indigenous peoples, small businesses, students, and seniors. We are also seeking to increase taxpayers' understanding of their tax obligations through more outreach activities that are targeted directly to Canadians—often through partnerships with other government departments—to provide the early certainty taxpayers need to help manage their tax affairs with greater confidence and comply with Canada's tax laws.

Providing timely and accurate information

Timely and accurate information are critical to the success of our tax system, which relies on self-assessment. We strive to make it easier for individuals and businesses to access clear, timely, and accurate information through our website, social media, written communication, and call centres. In each case, the Agency works hard to keep our paper and electronic publications updated and our officers equipped with the training and tools they need to provide current, relevant information.

To support the Government of Canada's priority for an open and transparent government, the CRA works closely with stakeholders, such as industry associations and the Minister's Underground Economy Advisory Committee members, to better target our communication products and improve their clarity. Taxpayers and tax professionals with more complex information needs have access to CRA expertise through a number of channels, including technical publications on canada.ca and by requesting rulings or interpretations.

Written correspondence

One of the most important ways the CRA serves Canadians is by clearly communicating tax-related information in plain language and telling them about any action they should take. The CRA has already simplified 75% of the millions of notices and letters we send annually. Over the planning period, we will simplify more of our notices, statements and letters to make it easier for Canadians to understand their tax obligations. We will also simplify tax and benefit forms so it will be easier for Canadians to complete and send these forms to the CRA. In addition, the Agency is responding to feedback about how we process clearance certificates¹ by developing measures to reduce the time to process these requests.

Telephone services

In July 2017, the Agency launched a pilot of a telephone service for income tax professionals, who complete the majority of individual and corporate income tax returns in Canada. These dedicated phone lines provide a limited number of these professionals with access to CRA rulings officers, who can assist with complex income tax questions that may involve interpretation of tax law. We will operate this pilot through December 2018 before deciding whether to implement the service fully.



We are investing in new telephone technology and maintaining specialized service options so that those facing other barriers, such as a speech or physical impairment, or those whose first language is not English or French, can more easily access the help they need from CRA.

The CRA's call centres answer enquiries and provide taxpayer-specific information, subject to identity authentication. The 2017 Fall Report of the Office of the Auditor General included results from a recent audit of Agency call centres that drew three conclusions:

- > the Agency's call centres did not provide taxpayers with timely access to call centre agents
- > our agents gave taxpayers information that was not accurate almost 30 percent of the time
- > our telephone performance measures were incomplete and reported results were overstated

We agree with all recommendations issued in this report and see this as an opportunity to improve overall service in our call centres. The Agency has launched a three-point action plan to modernize CRA call centres to help us to address the Auditor General's recommendations.

1. Responsible representatives tending to deceased taxpayers' property, business or estate have to obtain a clearance certificate before distributing any assets. A clearance certificate is the CRA's acknowledgment that all related tax returns have been filed and assessed and that all amounts owing have been paid.

- > Callers will see notable improvements when we implement new call centre technology that will connect Canadians with agents more efficiently. The Agency's call centre technology and infrastructure will be modernized, enabling us to offer new features for callers, such as wait-time information, and improve the overall service we provide to taxpayers. In partnership with Shared Services Canada and other government organizations, we are actively evaluating and developing new call centre technology for our individual enquiries and business enquiries call centres.
- > We will enhance agent training and support, and adopt a new approach for routing calls to agents.
- > We will also update our reporting and service standards to provide Canadians with clearer information about the service they can expect from our call centres and how we are performing.

The CRA will report on its progress in implementing this action plan in its annual Departmental Results Report beginning in 2019.

Planning highlights

- > Redesign existing guides and publications to make them easier to use by separating general tax information from "how to" instructions specific to completing forms
- > Apply user-experience design principles to tailor publications to the information needs of different audiences and simplify technical content for those who need only general information

EXPECTED RESULTS

- > In partnership with Shared Services Canada and other government organizations, actively evaluate and develop new call centre technology for our individual enquiries and business enquiries call centres
- > Establish service standards for the processing of clearance certificate requests, by April 2019
- > Improve the design, style, clarity, and tone of 95% of our written correspondence to Canadians, by May 2019

Making it easy to comply with tax obligations

Targeted outreach

The CRA takes a proactive approach to education and outreach. We identify and work with those taxpayers who are most likely to benefit from more targeted interaction, ranging from individuals—including Indigenous peoples, seniors, newcomers to Canada, and youth—to small and medium-sized businesses through various webinars. The Agency also makes teaching material available to school boards across the country for use in teaching high school and post-secondary students the basics of taxation, how to complete a tax return, and the relationship between taxes and our quality of life in Canada.



The CRA is investing in expanded outreach activities, working with government and non-government partners to help groups more vulnerable to poverty understand and gain access to their benefits, ultimately contributing to greater equality in the tax system.

Building on past success and lessons learned, the Agency will be working with trusted service providers over the planning period to reach vulnerable populations. Through our regional and local tax services offices, the CRA will foster community leadership and ownership to eliminate, wherever possible, unnecessary barriers that prevent greater participation in Canada's tax and benefits system. As part of the CRA's action plan for northern residents, we are committed to expanding our outreach and partnerships in northern communities, improving services for people in these communities, and helping them better understand how to claim deductions available to eligible northern residents.

Our Liaison Officer service promotes compliance through in-person visits with taxpayers at key stages of their business's life cycle, an approach that has been well-received by taxpayers. We will build on the success of this initiative and, using feedback from taxpayers, will work to increase the level and type of services offered to Canadians. In 2019, we will expand the initiative to include services for small corporations.

Digital services

Each year, the CRA handles large volumes of tax and benefit transactions accurately, on time, efficiently, and cost-effectively using modern tools, systems, and information technology solutions. The Agency's capacity to process returns and payments received electronically has increased and is less costly than paper alternatives. Often, electronic services result in fewer errors because there are fewer manual steps. That said, it is our responsibility to make sure that taxpayers are provided with the services they need to comply and we recognize that not all Canadians prefer online service options. We will maintain traditional alternatives for those who choose to use them, and develop tailored support for groups like seniors, first time filers, and new Canadians, who may have unique needs.

Businesses enrolled in My Business Account will soon have access to features that reduce common processing errors and improve the Agency's response time to their service requests.

The goal of our Digital Services Modernization Strategy is to create a service experience that is user-centric, secure, and digital from end-to-end for Canadians who wish to use these services. We are making a range of enhancements in 2018 to help those filing individual income tax and benefit returns, including:

- > allowing individual taxpayers to submit adjustments to T1 returns with NETFILE software to reduce the time and cost burden of paper T1 adjustments
- > delivering an express notice of assessment in near real-time and allowing tax preparers using EFILE and taxpayers using NETFILE to receive the notice of assessment almost immediately
- > enhancing our Auto-fill my return service to allow individuals (via NETFILE) and authorized representatives (via EFILE) to retrieve tax information from two prior years to automatically fill in parts of a 2017, 2016 and 2015 income tax and benefit return with the information that the CRA has available at the time of filing the return

Account alerts provide taxpayers with near real-time email alerts when there have been changes to their address or direct deposit information, or when mail has been returned to the CRA. Over the planning period, we will expand our online mail and account alerts services, and develop strategies to encourage more people to use online mail.

Canadians are spending more time on smartphones and tablets and less time on personal computers. The CRA is responding to this trend by ensuring that our digital services and content remain accessible to all devices without compromising the security of taxpayer information. Over the planning period, we will make our secure online portals (My Account, My Business Account, and Represent a Client) easier for taxpayers and their representatives to use. For example, we will:

- > implement data sharing between services so that logical navigation from one service to another is achieved (e.g., when viewing their account balances, taxpayers will be able to access our payment service, and their balance information will automatically populate in the payment fields for them)
- > design and implement a Common User Interface Architecture that will ensure consistency in user experiences in our three current portals and that the content of our portals displays correctly on any device (desktop, tablet, mobile phone, etc.), giving users more flexibility in how they interact with us

The Agency's approach to mobile development will ensure any new mobile service is designed according to established principles and uses a consistent approach, including a strong focus on user-centric services and design.

Voluntary disclosures

The Agency provides an avenue for taxpayers to voluntarily come forward and correct their tax affairs through the CRA's Voluntary Disclosures Program. This program is an integral part of the Agency's broader compliance strategy. We carefully review each application for voluntary disclosure before it is accepted to make sure it meets the conditions for this program. For complex offshore files, we are also adding expert resources to review disclosures for completeness, to identify all offshore issues and sources of reportable income, and to ensure that the relevant intelligence from the disclosure is captured and synthesized.

We recently completed a comprehensive review of our Voluntary Disclosures Program in response to the recommended actions set out in the Sixth Report of the Standing Committee on Finance, entitled "The Canada Revenue Agency, Tax Avoidance and Tax Evasion". As a result of our review, we have implemented measures to strengthen the Program. The tools and processes we have introduced will make it more difficult for taxpayers to benefit from the Program when they have wilfully used complex and aggressive tax planning schemes to evade or aggressively avoid their tax obligations. Those taxpayers, however, who have legitimately made mistakes in their tax affairs will continue to be able to seek the relief from prosecution and/or penalties provided for under the Program.

Planning highlights

- > Enhance and maintain our mobile apps, including Business Tax Reminders, CRA BizApp, MyCRA, and MyBenefits CRA

EXPECTED RESULTS

- > Allow authorized representatives to use commercial software to file an authorization request online that allows immediate access to client accounts with no signature required, by May 2018
- > Expand our Account Alerts service to include alert triggers for businesses, by May 2018
- > Allow taxpayers who use goods and services tax/harmonized sales tax (GST/HST) Internet File Transfer software to register for online mail, by December 2018
- > Increase digital filing options for GST/HST new housing rebates, by May 2019
- > Allow employers undergoing desk examination to submit their books and records electronically through My Business Account, by March 2020



Collaboration

The CRA works closely with other federal government departments and agencies to deliver on Government of Canada priorities. We also partner with industry associations and community organizations to make voluntary compliance as easy as possible. These collaborative arrangements help us enhance our services for Canadians, improve our programs, and reduce the administrative burden on taxpayers.

The Agency has been working with Innovation, Science and Economic Development Canada to advance the Government of Canada's goal that all business-facing services use the business number as their primary identifier by 2020. This will allow our business clients to manage one identifier when interacting with the Government of Canada rather than having separate numbers for each business-facing program.

The Tell-Us-Once service enhancement project between the CRA and Employment and Social Development Canada allows Canadians to give either department their direct deposit and address information and ensures the information is updated simultaneously to the other department, resulting in a tell-us-once environment. A phased-in approach is being taken to ensure alignment with departmental plans and capacities.

In consultation with the Chartered Professional Accountants of Canada, we launched a post-audit survey in March 2017 to seek voluntary and anonymous feedback from businesses that have undergone a CRA income tax or GST/HST audit. We are analyzing this feedback to identify opportunities to improve our audit process.

Canadians have access to many in-person and digital options to make a payment to the CRA. By the end of the planning period, the Agency will reduce its reliance on paper remittance vouchers. We will also make the payment experience easier by:

- > allowing taxpayers to make a secure, in-person payment through Canada Post
- > partnering with financial institutions to simplify direct deposit enrolment
- > supporting direct deposit information-sharing with Employment and Social Development Canada

We are committed to acting on all opportunities to expand our collaboration with our federal partners in order to enhance service delivery to citizens and businesses.

Cannabis

As announced in Budget 2017, a taxation framework will be implemented when recreational cannabis is legalized in 2018. The CRA will work closely with Health Canada and the Department of Finance to implement a program to assess and collect taxes on the sale of cannabis products.

Carbon levy

In Budget 2017, the Government of Canada reiterated that it will put in place a federal carbon pricing system. The CRA has been mandated to implement and administer the proposed federal carbon levy program. To do so, we will work with Environment and Climate Change Canada and the Department of Finance.

Registered charities

The CRA takes an education-first approach with the approximately 86,000 registered charities in Canada, providing them with all the information and tools they need to comply voluntarily. When an organization is not meeting the legislative requirements to maintain charitable status, the Agency provides the organization with further information and opportunities to amend the situation.

After extensive online and in-person consultations were held with public and charitable sector representatives across the country in 2016, a consultation panel reviewed the feedback and presented its report to the Minister of National Revenue in March 2017. The Agency is carefully reviewing the report to help inform its future regulation of charities under the Income Tax Act.

Planning highlights

- > Clarify the rules governing the involvement of registered charities in political activities
- > Modernize our information technology systems to reduce administrative burden on charities and offer online services to the charitable sector
- > Develop new educational resources and use new and existing channels to communicate information to the charitable sector and the public that will explain and facilitate compliance with the requirements of registration

EXPECTED RESULTS

- > Implement a program to assess and collect taxes on the sale of cannabis products, by July 2018
- > Launch our new online filing service for registered charities, by November 2018
- > Implement consent to share direct deposit and address information related to the Old Age Security and the Canada Pension Plan between the CRA and Employment and Social Development Canada by February 2019 and, by February 2020, consent to share employment insurance direct deposit and address information between the CRA and Employment and Social Development Canada

Providing fair and impartial review

When taxpayers are not satisfied with a service or a decision they have received from the CRA, they have the option of a fair and impartial redress process. The Agency resolves disputes and requests for relief that arise from decisions made under the legislation and programs we administer and services we provide. Every taxpayer who disagrees with an assessment, determination, or decision has the right to register a formal dispute. The CRA ensures each objection is treated in accordance with applicable laws. A responsive redress process promotes voluntary compliance and fosters trust in the integrity of the CRA.

The 2016 Fall Report of the Office of the Auditor General focused on how efficiently the CRA manages income tax objections in terms of timeliness of decisions¹. The report also examined whether our performance indicators related to the objections process were developed and reported, and whether the Agency studied and analyzed objections and appeals decisions and shared the analyses internally. The Agency agreed with the recommendations issued in the report and saw this as a good opportunity to further strengthen how we manage objections. We have already established a service standard to resolve low-complexity objections within 180 days, 80% of the time and, to emphasize our commitment to service, will be implementing an additional service standard in 2018 to resolve medium-complexity objections within 365 days, 80% of the time. As our backlog of these types of objections declines, we will seek opportunities to improve the timeliness commitments of these service standards. Timely resolution of objections gives Canadians the certainty they need about their tax affairs to make decisions for themselves, their families and their businesses.

The CRA also administers legislative provisions under which the Minister of National Revenue may grant relief to taxpayers from penalties and interest arising from an inability to pay through no fault of their own or due to circumstances beyond their control. Requests for relief can arise in any number of circumstances, ranging from widespread disaster to individual hardship. In addition, the Agency offers a process to resolve service-related issues resulting from mistakes, undue delays, the behaviour of our employees, and poor or misleading information. Taxpayers can file unresolved service complaints and requests for relief online through My Account.



In times of extraordinary circumstances, such as natural disasters or financial hardship, research has shown that women, children, and persons with disabilities are more likely to be vulnerable to poverty, which can significantly impact individuals' abilities to meet their tax obligations. In these and other circumstances, the CRA offers taxpayer relief measures to reduce amounts owing to CRA, and cancel or waive penalties and interest fees.

1. The Auditor General's Report is available at www.oag.bycan.ca/Internet/English/paol_oag_201611_02_e_41831.html

Planning highlights

- > Increase our capacity to resolve objections quickly, to improve service, and provide early certainty of tax obligations
- > Further enhance our digital services to allow taxpayers to receive a more timely response to their service complaints
- > Report improved performance indicators, related targets, and results to Parliament concerning our timeliness in processing objections and communicate this performance information to taxpayers
- > Communicate objections and appeals decisions, and identify opportunities for improvement in the service provided to Canadians

EXPECTED RESULTS

- > Implement digital delivery of responses to service complaints through the My Account and My Business Account secure portals, by December 2018
- > Address recommendations made in the Office of the Auditor General Report by:
 - implementing our action plan pertaining to income tax objections during 2018
 - establishing a new service standard for the resolution of medium-complexity objections, by June 2018
 - revising Form RC4288, Request for Taxpayer Relief — Cancel or Waive Penalties or Interest, to ensure that the necessary information and documentation is submitted with the request, by March 2019
- > Renew Agency processes, improve tools, and improve workload management to enhance efficiency for Canada Pension Plan and employment insurance disputes, by December 2020



Compliance

Our services are aimed at making voluntary compliance as easy as possible, and we provide proactive support when it is needed. However, there will always be those who, by error or intent, do not meet their obligations. The CRA seeks to protect the integrity of Canada's voluntary compliance system by identifying filing non-compliance and pursuing individuals, corporations or trusts that do not file tax returns despite a legal obligation to do so. In addition, the Agency devotes significant resources to identifying and addressing the small segment of the population that does not report the correct amounts. The Agency's compliance activities follow an escalating approach, moving from influencing compliance to enforcing it, with a focus on early detection and correction of failure to comply with the federal and provincial tax legislation we administer.



While most Canadians voluntarily file their tax returns, there are some who choose to avoid or evade their tax obligations. The CRA's compliance programs and initiatives help ensure that the tax system is fair and efficient, and that it does not provide an unfair advantage to certain groups.

Business intelligence

Gathering business intelligence gives us better insight into taxpayer behaviour and allows us to more precisely and rapidly target non-compliance, whether it stems from unintentional errors or deliberate non-compliance. By gaining access to better data and improving our information technology and tools we can more effectively guide our operational and strategic decisions. By complementing this with advanced data analysis techniques, the Agency is taking a more targeted and risk-based approach to promoting, supporting, and enforcing all aspects of compliance.



Experimentation has been key in the CRA's efforts to combat tax evasion and aggressive tax avoidance, and protect Canada's revenue base. Tax schemes are becoming increasingly sophisticated, and there is a recognized need to experiment with new analytical methods that can make better use of the CRA's data. The Agency continues to design new predictive models and algorithms, which are tested against existing approaches to ensure that the Agency is obtaining the results it needs. Continual experimentation, testing, and refinement of these models ensures that the CRA remains at the forefront of detecting complex fraud and tax evasion schemes.

Access to better data, used more effectively

The CRA has access to a very large volume of data from multiple sources¹, especially as it relates to our work to identify offshore and aggressive tax planning non-compliance. It is crucial that we effectively use this increasing volume and variety of data to guide our operational and strategic decisions. To more effectively identify those taxpayers at highest risk of being non-compliant, we will implement an automated system that accurately matches taxpayers to electronic funds transfer records and integrates this data with existing CRA data. In addition, the Agency will expand our use of taxpayer information to further enhance our risk assessment systems and business intelligence tools, including the Integrated Risk Assessment System, to increase our ability to detect significant non-compliance within the large business population segment, and optimize the allocation of resources to address these compliance risks.

Advanced analytics

The CRA is advancing its analytics capability by developing and testing predictive models that allow us to identify individual and business taxpayers with an increased risk of non-compliance and determine specific actions to apply. These predictive models will enable the Agency to make fact-based decisions that lead to better identification of non-compliant accounts and support re-directing our resources toward resolving the highest risk accounts—at the right time and at the lowest cost—thereby reducing the burden on the larger population of taxpayers. The application of advanced analytics will improve our decision-making and help us tailor and time our interventions for maximum impact. Over the planning period, we will test predictive models on individual taxpayers and develop new predictive models for individual and business taxpayers.

Planning highlights

- > Maximize the use of third-party data to support operational and strategic decision-making and to conduct pilot projects using advanced analytics to enhance risk assessment

1. This information includes electronic funds transfers, country specific information, informant submissions under our Offshore Tax Informant Program, our Foreign Reporting Requirements Management System, our Voluntary Disclosure Program, and agreements for the exchange of information related to income tax treaties.

EXPECTED RESULTS

- > Using advanced analytics, develop new predictive models for detecting non-compliance related to corporate income tax, and complete audits of individual taxpayers selected from current predictive models, by March 2019
- > Automate the process of matching and risk assessing electronic funds transfer records, which do not contain a taxpayer identifier, with existing CRA taxpayer data, by March 2020

International collaboration

The CRA's approach to compliance takes the Agency beyond Canada's borders to work with other countries to improve global tax transparency and address aggressive international tax avoidance and evasion. We do this by engaging both bilaterally and multilaterally with a range of partner administrations and organizations. Our engagement at the Organisation for Economic Co-operation and Development (OECD) is particularly vital, including our work with the OECD Forum on Tax Administration.

The Forum on Tax Administration brings together the Tax Commissioners of the most advanced tax administrations worldwide, including OECD and G20 members, to work collaboratively to address common tax administration challenges and take collective action to achieve common goals. Through the Forum on Tax Administration, the Agency is participating in a pilot project to identify large multinationals exhibiting low risk of tax avoidance. This project, called the International Compliance Assurance Program, has been established as a coordinated, multi-jurisdictional tool for assuring that certain multinational enterprise groups are in compliance with applicable tax legislation. By participating in this pilot the Agency and our international partners are able to identify those corporations that do not need to be considered for any compliance activities associated with tax evasion or aggressive tax avoidance. It helps us to quickly isolate any areas of risk that might require further attention and better target our resources to where compliance action may be most needed.

The Commissioner of the Canada Revenue Agency leads the Forum on Tax Administration's Large Business and International Programme, where the CRA, together with other tax administrations, is leading the development and delivery of a work plan to support the OECD and G20 base erosion and profit-shifting project. This is a global project that seeks to prevent multinational corporations from inappropriately minimizing their taxes. This initiative is being undertaken to support other potential projects and will help with the compliance management of large businesses.

The CRA also engages in bilateral and multilateral cooperation and collaboration on taxpayer-specific issues, risks and compliance practices through its work with the Joint International Taskforce on Shared Intelligence and Collaboration. Working within the legal framework of effective bilateral and multilateral conventions and tax information exchange agreements, this tax force offers a platform for its members to actively collaborate and share their experience, resources, and expertise to tackle the common issues they face. Our participation in this network of tax administrations from over 37 countries makes it easier to share information and helps increase our understanding of intergroup transactions. Over the planning period, the Agency will lead the working group on High Net Worth Individuals and actively participate in other expert working groups.

The CRA also plays a leading role in building capacity for developing countries by providing advice and support in the administration of their taxation regimes, either bilaterally or multilaterally through our participation in various initiatives. For example, Agency employees provide training at the OECD International Academy for Tax Crime Investigators, and serve as subject matter experts for OECD Global Relations Programme learning events related to tax administration. Our Commissioner co-sponsors, with China, the Forum on Tax Administration's Capacity Building Network. This network is focused on identifying how member jurisdictions can address the increasing demand for capacity-building by working together to improve coordination, reduce duplication, and generate efficiencies in how assistance is provided.

In addition, the Agency is developing an online tool, called the Knowledge Sharing Platform for Tax Administrations. Currently a prototype being deployed through early adopters, this tool is designed to foster the sharing of practical knowledge and expertise concerning tax administration in a cost-effective and sustainable way.

Combatting base erosion and profit sharing

There are tax planning strategies implemented by multinational enterprises that exploit gaps and mismatches in tax rules to artificially shift profits to low-tax or no-tax jurisdictions where there is little or no economic activity, resulting in little or no overall corporate tax being paid. The G20 asked the OECD to address this growing problem by creating an action plan to address base erosion and profit shifting. This plan, endorsed and adopted by Canada, identifies a series of domestic and international measures to address the problem and sets timelines for the implementation. The CRA will extend its cooperation on base erosion and profit shifting through to 2020.

Country-by-country reporting

The objective of country-by-country reporting is to provide transparency to tax administrations of the global operations of multinational enterprises, including information about their economic activity, how they allocate their income across the globe, and any taxes paid among participating countries. These reports are usually filed in the jurisdiction of tax residence of the ultimate parent entity of the multinational enterprise group, then shared between participating jurisdictions.

As of June 2017, a total of 64 countries signed on to exchange country-by-country reports. Automated exchanges pursuant to government-to-government agreements will begin in June 2018. The Agency has also been exchanging advanced income tax rulings; those we receive are given consideration as we work to identify new tax schemes and potential non-compliance in Canada.

As part of the OECD base erosion and profit-shifting action plan, Canada is committed to implementing measures to make dispute resolution mechanisms more effective. In accordance with mutually agreed procedures, the CRA will put in place monitoring mechanisms by March 2019 to ensure that settlements are implemented, there is clarity in related guidance, and that taxpayers understand access and timeframes for resolving disputes.

Common reporting standard

For many years, tax authorities have expressed a heightened interest in developing a standard for the automatic exchange of information. On July 15, 2014, the OECD approved the new global Standard for Automatic Exchange of Financial Account Information in Tax Matters, referred to as the Common Reporting Standard. To increase global transparency, each jurisdiction will annually collect and automatically exchange information, including details such as taxpayer names, addresses, birth information, tax identification numbers, and account balances, with partner jurisdictions for all reportable accounts. Canada will undertake its first exchanges in 2018.

As of July 1, 2017, financial institutions have had to start identifying certain accounts held by or for non-residents, and to report these accounts to the CRA. Financial institutions will file information with the CRA in accordance with the Common Reporting Standard for the first time by May 2018, which will allow for Canada's first exchanges with other countries in September 2018. The Agency has developed a transmission platform for the initiative that we will leverage for other exchanges, including country-by-country reporting and exchanges of rulings.

Planning highlights

- > Play an active role with the Joint International Taskforce on Shared Intelligence and Collaboration network concerning new projects to ensure tax compliance and participate in joint collaborative sessions with other member countries
- > Collaborate with international partners to address global tax evasion and financial crimes, specifically in the areas of beneficial ownership intelligence, money laundering, bribery, corruption, terrorism financing, and capacity building

EXPECTED RESULTS

- > Complete the first exchanges of information under the Common Reporting Standard, by September 2018
- > Begin the automatic exchange of country-by-country information and integrate the information into existing transfer pricing risk assessment processes by March 2019
- > Deploy the end-state Knowledge Sharing Platform for Tax Administrations by March 2019



CRACKING DOWN

ON INTERNATIONAL TAX EVASION

Tax evasion and aggressive tax avoidance

Aggressive tax planning arrangements involve a transaction or a series of transactions designed primarily to avoid paying taxes. Such tax arrangements often go against the object and spirit of tax legislation and represent a significant threat to the revenue base of industrialized countries around the globe. With recent budget investments, the Agency is developing better tools and better approaches—and will achieve better results.

Addressing offshore compliance and aggressive tax planning is a top priority for the CRA, as demonstrated by our work on the Panama Papers. On April 3, 2016, the CBC published a story concerning the leak of 11.5 million documents from a Panamanian law firm, Mossack Fonseca, relating to the offshore financial affairs of numerous prominent individuals worldwide. From this information, we have been able to identify over 3,140 offshore entities with over 2,360 possible beneficial owners that have some link to Canada. The Agency has reviewed and risk assessed over 1,350 of these possible beneficial owners. This project involves collaboration with Revenu Québec to exchange information linked to Quebec, share tools, and coordinate audits. In addition, using the foundation we have established in addressing the Panama Papers, we will review the more recent Paradise Papers. In both circumstances, we will share information related to non-residents of Canada with our treaty partners and take compliance action, including completing audits and making referrals for further investigation. Where appropriate, we refer cases to the Public Prosecution Service of Canada for possible criminal prosecution.

Since January 1, 2015, financial institutions have been required to report to the CRA all international electronic funds transfers of \$10,000 or more. This information is invaluable in helping the Agency identify international non-compliance, monitor potentially unreported income, and target jurisdictions and financial institutions of concern. Over the planning period, we will review all of the electronic funds transfers in four jurisdictions or financial institutions of concern and focus our audit efforts on high-risk taxpayers.

For medium- and low-risk taxpayers identified through the review of electronic funds transfers in the jurisdictions or financial institutions of concern, we will conduct desk audits or send out letters to nudge compliance. This approach reduces the compliance burden on taxpayers because the desk audit approach does not require a visit to the taxpayers' premises. It does not replace field audits; rather, it provides an alternative method of reviewing files with certain risk profiles and helps taxpayers comply where appropriate. We plan to implement a desk audit pilot project for the medium-risk segment during the planning period.

Wealthy individuals

Some wealthy individuals (and related parties) use private corporations or complex schemes, including involvement in complex offshore structures and transactions. Using new risk assessment strategies and additional audit teams, the Agency plans to expand the scope of our initiative to address non-compliance among these taxpayers. By March 2021, we will have in place a number of new measures, including an increase in the number of high net worth individuals¹ within the Related Party Initiative program identified for potential audit and the number of audits undertaken, plus we will be leveraging information gathered through new risk assessment tools and increasing Agency cooperation with tax administrations in other countries.

Aggressive GST/HST planning

The CRA's approach to GST/HST compliance is designed to ensure GST/HST registrants comply with their reporting requirements and that we identify and address non-compliance, especially by those who knowingly and aggressively avoid paying GST/HST. Annually, the Agency receives two million refund and rebate claims, some of which are false, totalling about \$47 billion. Over the next three years, as part of the Government of Canada's Budget 2016 commitment, we will be developing processes to improve our ability to identify and profile various schemes in the GST/HST registrant population. We will put in place a fully integrated automated system to help us detect fictitious entities, preventing us from issuing unwarranted GST/HST refunds. This will also allow the Agency to respond to emerging abusive tax schemes by updating and modifying our risk assessment models and profiles in a timely manner.

Tax scheme promoters

The CRA is actively cracking down on promoter schemes that promise large refunds and tax-free income, or that devise other creative ways to pay less tax owing. The Agency has the authority to apply third-party penalties against tax preparers, promoters, and other third parties who misrepresent tax matters that could result in other persons making false statements or omissions on their tax returns. Those who counsel others to file their tax returns based on false or misleading information, or who knowingly accept false information provided by their clients for tax purposes, can face penalties under the law and criminal prosecution that can lead to court-imposed fines and jail time. Over the planning period, we will increase audits of promoters of tax schemes and apply appropriate compliance actions; improve information gathering and business intelligence on emerging schemes; maintain a database on all identified promoters; pursue additional legislative tools to discourage investment in abusive schemes; and improve communication to taxpayers to warn them about such schemes.

1. High net worth individuals within the Related Party Initiative program are those who, either alone or together with associates (related parties), control a net worth of at least \$50 million.

NO CONTRACT = NO PROTECTION



Underground economy

Combatting the underground economy (UE) is one of the top compliance priorities for the CRA. The UE poses a threat to Canada's revenue base and makes it difficult for Canadian businesses, particularly small businesses, to compete on a level playing field. In 2013, the last year for which the UE was estimated, UE activity totalled \$45.6 billion in Canada, or about 2.4% of gross domestic product. The UE includes both unreported and under-reported sales or income, which may involve failure to:

- > file or register
- > report a business activity
- > report part of a business activity or income
- > report income ancillary to employment income, such as tips and gratuities

If left unchallenged, the UE can erode the integrity of Canada's tax system.

Our work to combat the underground economy is aimed at ensuring a fair tax system and a level playing field for all businesses and taxpayers. Through the successes and challenges learned in our previous strategy, the Agency is building a better understanding of the UE in Canada, and we are continuing to enhance our approaches to reduce UE participation. Beginning in 2018-2019, the CRA will implement an updated, fulsome and relevant UE strategy with the following three themes.

- > **Social responsibility and engaged citizenship:** The aim of this theme is to raise awareness of the risks and consequences of participating in the UE to reduce its social acceptability. Through external partnerships, we will increase the reach of our UE messaging, which will address both those who create the demand for UE services and the individuals and businesses who supply the UE.
- > **Use of third party data:** The CRA intends to obtain additional third party data from our partners—mainly other federal departments, the provinces and territories as well as municipalities. The CRA will also obtain information from third parties through the use of legal requirements when it has reason to believe this data will help detect and deter non-compliance.

- > Emerging business models and transacting in the digital age: The CRA will strengthen its understanding of the tax attributes of those who are using business models that monetize assets or labour in non-traditional ways, such as online intermediaries that facilitate the sharing and gig economy and those that use digital payment systems like Bitcoin. Test audits, research, and education sessions will be conducted to ensure taxpayer compliance in these rapidly expanding areas of Canada's economy.

In addition, the CRA will continue its important work on all aspects of the UE, including education, detecting non-filers, improving its audit techniques to detect unreported income, enhancing our business intelligence, and improving our risk assessment to help us focus our efforts in the areas where non-compliance is most prevalent.

Criminal investigations

The CRA's criminal investigators work closely with other federal law enforcement agencies to make sure the most serious cases of tax evasion and fraud are thoroughly investigated and referred to the Public Prosecution Service of Canada for criminal prosecution. We have taken steps to enhance the efficiency of our criminal investigations, to identify egregious tax evasion cases more effectively. To improve our forensic informatics capabilities for complex investigations, we are investing in advanced technological tools, and researching the use of the Dark Web as a means to commit tax evasion to help us better identify sophisticated and well-organized schemes. To help us better measure our success, we will introduce new performance measures.

Over the planning period, we will set up a free subscription service to help interested Canadians stay current on our enforcement efforts. These enforcement notifications will include information on tax evasion convictions, non-filer convictions, and, in some instances, searches executed and the criminal charges laid. In addition, the Agency will update its results throughout the year in a series of newly created webpages dedicated to describing its offshore activities. We will also seek opportunities to report results through various media and on canada.ca.

Other ways we are improving compliance

Sharing economy

The sharing economy connects individuals or businesses that are looking for a particular product or service to those that have it. Many participants in the sharing economy do not follow traditional small business practices—and the number of non-traditional small businesses participating in this sharing economy is growing—so it is important to ensure that they are aware of and comply with their tax obligations, namely collecting and remitting GST/HST. Until now, the Agency's approach to promoting compliance within this sector has largely been focused on a mix of education, outreach, and nudge techniques to help registrants better understand their tax obligations and encourage them to correct any inaccuracies on their past returns and in their future filings. The CRA will focus its efforts over the planning period on conducting compliance activity on commercial operators within the sharing economy. Following completion of these audits, we will further develop associated data and risk models.

SR&ED claims

Through the Scientific Research and Experimental Development (SR&ED) Program, the Government of Canada provides tax assistance and investment tax credits to Canadian businesses as an incentive to conduct industrial research and development activities in Canada. The CRA is responsible for verifying the correctness of tax credit claims, and for making sure businesses are well informed about the requirements they must meet to receive credits in a timely and predictable manner. Over the planning period, the Agency will monitor, support, and enhance its new suite of services to ensure they meet the needs of SR&ED program claimants. We will also apply the elements of our SR&ED Large Claim Strategy in reviewing claims to other claimant populations to improve compliance.

Planning highlights

- > Monitor adherence to newly established national investigative standards to streamline the investigative process and ensure the timely referral of cases to the Public Prosecution Service of Canada for criminal prosecution
- > Engage industry associations, specifically targeting those with the broadest reach and impact to raise awareness of the requirements of the SR&ED program

EXPECTED RESULTS

- > Review and risk assess the remaining approximately one thousand Panama Papers records, by March 2019
- > Introduce a new reporting measure for criminal investigations, by March 2019
- > Research and explore the use of the Dark Web as a means to commit tax evasion, by March 2020
- > Implement an applied intelligence solution to identify abusive GST/HST schemes, by May 2020

Collections

The CRA collects tax debts on behalf of federal, provincial, and territorial governments. We also collect debts for such government programs as defaulted Canada Student Loans, employment insurance overpayments, and Canada Pension Plan overpayments. Managing tax debt¹ is critical to protecting Canada's revenue base and providing governments across Canada with the revenue needed to support programs and priorities.

To be fully compliant, individual and business taxpayers must pay all taxes on time. Due to a variety of factors, not all taxpayers are willing or able to pay all tax owing once their assessments have been raised, including after any disputes or appeals have been resolved. To address these tax debts in the most effective way possible, the Agency has implemented three distinct strategic approaches that are based on the circumstances of non-compliant taxpayers.

1. Taxes and other revenues assessed or estimated by the CRA but not yet collected.

- > In the case of those who want to pay, we seek to avoid delays and the accumulation of interest and penalties by encouraging compliance and assisting these taxpayers to quickly resolve all tax owing through self-resolution tools.
- > For those who cannot immediately pay all amounts outstanding, we work with taxpayers to resolve their debts through collection tools, such as payment arrangements that take into account their ability to pay, while avoiding any undue financial hardship.
- > In those relatively few instances where taxpayers have the means but are unwilling to pay what they owe, the Agency uses available enforcement tools to compel compliance with Canada's tax laws.

The Agency's collections activities are guided by two main goals: avoiding new debt and resolving existing debt quickly. Over the past number of years, our collections work has been evolving to address a tax debt portfolio that has been growing at a 10-year average of 7.8%. Through investments from federal budgets, the CRA has transformed its business processes for addressing tax debt and reduced the growth of the tax debt to 5% in fiscal year 2016-2017. With this enhanced capacity to address tax debt, the Agency will continue to leverage technology and business intelligence over the planning period to manage new amounts owing and the growth in tax debt inventory. In addition, this will help improve our ability to deliver the right account to the right level of collection in a timely manner to increase opportunities for debt resolution.

We will collect an additional \$7 billion in tax debt—plus \$350 million
from high-risk reassessments—by March 2021

In the almost two decades since their launch, the Agency's Debt Management Call Centres have proven to be critical to faster resolution of tax debt. Agents from these centres call taxpayers to seek payment of taxes owing and they receive calls from those who were notified that they have a tax debt. In some instances, our Debt Management Call Centre agents have been unable to resolve more complex tax debt issues, requiring the taxpayer to make an additional call to another collections officer. To improve our level of service, the CRA will be piloting a project where these calls are transferred directly from the call centre agent to a more senior collections officer to resolve the account. We are limiting this pilot to a select group of taxpayers in order to measure the effectiveness of this initiative before deciding to expand this service in the future.

To improve the accessibility of the Agency to taxpayers at a time when they are available to discuss resolving a debt, we have implemented a SMARTLINKS tool. This tool allows taxpayers to arrange for a call from a Debt Management Call Centre agent at a time that is convenient for them. Adding a service like this one contributes to achieving our goal to improve service and encourage taxpayers to resolve their tax debts in a timely manner.

The CRA is focusing on aggressive tax planning to promote both reporting and payment compliance. Using funding from Budget 2016, we are now in a better position to have specialized collections officers focus on collecting the tax owing from the high-risk reassessments from all types of targeted audits, such as those related to offshore tax schemes.

Planning highlights

- > Leverage new data mining models to enhance our use of automation to direct files to the proper workload in a timely manner to improve collection potential
- > Improve the research that we undertake both to gain a better understanding of trends in payment non-compliance and to identify the risks involved
- > Increase our focus on the collection of files identified as being higher risk in order to reduce the likelihood of these debts becoming uncollectable

EXPECTED RESULTS

- > As a result of the Government of Canada investments announced in Budget 2016, we will collect an additional
 - \$3 billion in tax debt—plus \$210 million from high-risk reassessments—by March 2019
 - \$5 billion in tax debt—plus \$280 million from high-risk reassessments—by March 2020
 - \$7 billion in tax debt—plus \$350 million from high-risk reassessments—by March 2021¹

1. All figures are cumulative and represent totals beginning from fiscal year 2016-2017. The breakdown within the current planning period is \$1.65 billion plus \$69.8 million during 2018-2019; \$2.3 billion plus \$69.8 million during 2019-2020; and, \$1.65 billion plus \$69.8 million during 2020-2021.

Tax planned results

The CRA's Departmental Results Framework demonstrates how CRA's work contributes both to government priorities and overall well-being of Canadians. The framework identifies the indicators that are used to assess overall progress towards the outcomes we are striving to achieve and provides a foundation for accuracy and transparency in reporting our results to Parliamentarians and Canadians.

Canadians comply with tax obligations, non-compliance is addressed, and Canadians have access to appropriate mechanisms for resolving disputes

INDICATOR	Percentage of filers who have filed a tax return by their due date ¹				
TARGET	90%	ACTUAL RESULT	2014-2015 93%	2015-2016 94%	2016-2017 91%
INDICATOR	Percentage of known businesses registered for GST/HST				
TARGET	90%	ACTUAL RESULT	2014-2015 94.6%	2015-2016 94%	2016-2017 94.9%
INDICATOR	Percentage of reported taxes (including instalments) and source deductions that are paid on time				
TARGET	90%	ACTUAL RESULT	2014-2015 89.9%	2015-2016 89.9%	2016-2017 88.7%
INDICATOR	Percentage of external service standards targets that are met or mostly met ²				
TARGET	90%	ACTUAL RESULT	2014-2015 94.1%	2015-2016 91.5%	2016-2017 85.1%
INDICATOR	Public Perception Index score compared to baseline				
TARGET	Maintain or Increase	ACTUAL RESULT	2014-2015 N/A ^{3,4}	2015-2016 N/A ^{3,4}	2016-2017 N/A ^{3,4}
INDICATOR	Percentage of total volume of improved correspondence (i.e. changes to structure, design, language, and format)				
TARGET	95%	ACTUAL RESULT	2014-2015 75%	2015-2016 75%	2016-2017 75%
INDICATOR	Percentage of services available online				
TARGET	77%	ACTUAL RESULT	2014-2015 N/A ^{3,4}	2015-2016 N/A ^{3,4}	2016-2017 76%
INDICATOR	Number of Community Volunteer Income Tax Program returns completed				
TARGET	800,000	ACTUAL RESULT	2014-2015 633,468	2015-2016 749,963	2016-2017 768,349
INDICATOR	Complete an online consultation open to charities and the public				
TARGET	March 2018	ACTUAL RESULT	2014-2015 N/A ^{3,4}	2015-2016 N/A ^{3,4}	2016-2017 N/A ^{3,4}
INDICATOR	Incremental revenue resulting from Budget 2016 investments				
TARGET	\$2.6B over 5 years	ACTUAL RESULT	2014-2015 N/A ^{3,4}	2015-2016 N/A ^{3,4}	2016-2017 N/A ^{3,4}
INDICATOR	Incremental debt collected (resolved) resulting from Budget 2016 investments				
TARGET	\$7.4B over 5 years	ACTUAL RESULT	2014-2015 N/A ^{3,4}	2015-2016 N/A ^{3,4}	2016-2017 N/A ^{3,4}

1. Note the methodology for determining the results for this indicator has recently been revised; therefore, the 2016-2017 calculations will not be directly comparable with past figures.

2. Met or mostly met (within 5% of target).

3. This is a new indicator and therefore no prior year results are available.

4. The Treasury Board of Canada guidelines requires departments and agencies to include all departmental results, departmental result indicators and targets.

Tax budgetary financial (dollars) and human resources (full-time equivalents)

		2018-19 Main Estimates	2018-19 Planned ¹	2019-20 Planned ¹	2020-21 Planned ¹
TAX	\$	2,793,270,920	2,793,270,920	2,819,226,312	2,784,245,038
	FTE		30,691	30,882	30,357

Financial, human resources and performance information for the CRA's Program Inventory is available in the GC InfoBaseⁱⁱⁱ.

1. Planned spending is identical to expenditure levels presented in the Main Estimates.

Benefits

CORE RESPONSIBILITY

Description: To ensure Canadians obtain the support and information they need to know what benefits they may be eligible to receive, that they receive their benefit payments in a timely manner, and have avenues of redress when they disagree with a decision on their benefit eligibility.

The CRA administers a range of ongoing benefits and one-time payment programs for the federal government and the provinces and territories. Benefit programs offered by the federal, provincial and territorial governments support the economic and social well-being of Canadians across the country. Indeed, many Canadians depend on benefit payments for a significant part of their household income and the importance of these payments cannot be underestimated. We need to be vigilant and have an effective administration in place to ensure that benefits are paid in a timely manner, especially where recipients still rely on paper-based transactions.

More than \$31 billion in credit and benefit payments are issued by the CRA each year to more than 12 million Canadians. Benefits include the goods and services tax/harmonized sales tax credit, the Guaranteed Income Supplement, and the Canada child benefit, which is a tax-free monthly payment made to eligible families to help them with the cost of raising children under 18 years of age. We strive to make the right benefit payment to the right individual at the right time, and recently began working with colleagues at Employment and Social Development Canada to improve our ability to do so. Overall, the CRA is taking significant steps to ensure that all Canadians, including Canadians with modest incomes, Indigenous peoples, and newcomers, are getting the benefits they are entitled to in a timely manner. We are also taking action to ensure that we are giving benefit recipients accessible information and timely responses to their enquiries.



Outreach

Outreach is an important component of the CRA's client-focused approach to service and is one of many elements that comprise the Agency's drive to be a world-class tax and benefit administration. The Agency continues to reach out to Canadians to ensure that everyone is receiving the benefits to which they are entitled.

Over the planning period we intend to further develop and enhance our outreach efforts, especially within Indigenous communities and other segments of the Canadian population who may not be aware of what benefits and services are available to them.



The CRA administers federal and provincial/territorial benefits that are designed to contribute to greater economic equity for individuals and families who are the most vulnerable to poverty. The administration of the Canada child benefit, for example, provides help with the cost of raising children of low and middle-income families.

One of our most successful outreach efforts has been the Community Volunteer Income Tax Program (CVITP). Through the program, volunteers across Canada help to prepare income tax and benefit returns for Canadians who may not have the means or knowledge to prepare their own returns. The CVITP works with Indigenous peoples, seniors, persons with disabilities, and individuals with low or fixed incomes. In collaboration with partner organizations, the CRA provides the necessary training and support to the many volunteers who host the free tax preparation clinics. Beginning in 2018, our CVITP volunteers will be able to make use of the CRA's Auto-fill my return service. Access to this service will significantly help volunteers in the important work that they do. By being able to automatically fill in parts of a taxpayer's income tax and benefit return with information that the CRA has available at the time of filing, volunteers will be able to complete returns more quickly than before, the CRA will be able to process them faster, and there will be greater certainty that CVITP clients will receive the benefits to which they are entitled with little or no delay.

Digital services

The CRA's digital services are at the forefront of providing the best possible service to benefit recipients and their use has been a significant factor in ensuring that benefits are delivered to Canadians efficiently, securely, and on time.

The Agency plans to further improve "MyBenefits CRA", the web-based mobile app designed specifically for benefit recipients. It has proven to be invaluable in giving benefit recipients a fast, easy, and secure way to verify the amount and date of upcoming benefit payments. Recent enhancements have allowed users to view the breakdown in their payment between federal and provincial/territorial benefits. In addition, benefit recipients can now also view and update their marital status and view information the CRA has about children in their care.

Looking ahead, the Agency's approach to developing mobile apps will ensure that any changes to a mobile service such as MyBenefits CRA will be made according to set principles and using a consistent approach. To this end the Agency will ensure that there is a strong focus on implementing features that incorporate designs and services that improve the application's ease of use for benefit recipients.



Telephone services

Even in the era of the Internet and web-based services, the telephone often remains a vital form of communication for some Canadians. This is especially true for individuals who need to know if they are eligible for benefits, or when their payments will be issued.

The CRA answers over 6 million calls each year on its benefits enquiries line and we are committed to providing the best possible client-focused service we can

The Agency continues to strive to improve its call centre technology and to provide more accessible telephone service. In partnership with Shared Services Canada and other government organizations, we are actively evaluating and developing new call centre technology for our individual enquiries call centres. The technology will offer modern contact centre features such as centralized queuing, wait time information, skills based routing, and workforce management. These features will contribute to the efficiency of the CRA's call centre operations – reducing busy signals and improving service overall for those Canadians who rely on our benefit enquiries line for information.

The Agency intends to closely monitor call volumes to determine the impact of our call centre initiatives. We will also be monitoring the issues and questions being raised by callers to better understand their information needs and the most common reasons for calls.

All the call centre measures that we plan to implement over the next planning period should significantly improve the client-focused service that we strive to provide to benefit recipients. They will also significantly contribute to the Agency's strategic priority of service and to the Government's over-arching goal of social inclusion.



Benefit administration

The Canada child benefit is one of the more significant benefits administered by the CRA. By July 2018, the Agency plans to simplify the application process, both digitally and on paper. Changes to the Canada child benefit application form will be made, and information on the CRA's website and in Agency publications will provide clear details on what applicants need to provide, and when, so that their eligibility for benefits can be determined accurately and quickly.

As noted earlier, the CRA and Employment and Social Development Canada initiative called "Tell-Us-Once" will allow Canadians to inform either department about their direct deposit or address information and be assured that the information is updated simultaneously with the other department. This will greatly facilitate the provision of benefits to eligible Canadians. By February 2019, the CRA and Employment and Social Development Canada intend to have organizational structures and processes in place that will allow both organizations to share information in relation to Canada Pension Plan and Old Age Security payments. By February 2020, we anticipate a similar arrangement for sharing information with respect to employment insurance payments.



Experimentation is helping the CRA ensure that Canadians receive the benefits to which they are entitled. In 2017, the CRA examined the issue of low take-up of the working income tax benefit among paper filers and experimented with an approach to address the issue. An informational insert on the working income tax benefit, designed to be included with the individual income tax forms book, was produced. The effectiveness of this insert as a tool to make Canadians aware of the benefit, and how to claim it, was then tested on a segment of the Canadian population. One group was provided with the insert while the other (the control group) was not. Comparing the behaviour of the two groups demonstrated that the use of the insert would be effective in increasing the number of claims for the working income tax benefit. Once the use of the insert is adopted nation-wide in 2018, it is anticipated that there will be almost 19,000 new benefit claimants and an additional \$12.5 million benefit payments.

Planning highlights

- > Reduce processing times for returns completed through the CVITP, as well as reduce the processing times for assessing any benefits payable to CVITP clients
- > Enhance the client-focused service provided to benefit recipients by improving the CRA's understanding of the tax and benefit information needs of Canadians

EXPECTED RESULTS

- > Allow the use of the Auto-fill my return service by CVITP volunteers in February 2018, so that parts of the income tax returns of Canadians using the CVITP service will be automatically completed
- > Develop a quality monitoring program and introduce a national centralized listening team to improve the quality and accuracy of responses to telephone enquiries
- > Enhance the MyBenefits CRA mobile app, implementing features that incorporate designs and services to improve ease of use in accordance with the CRA's mobile app strategy (first new features to be implemented by March 2019)
- > Implement the "Tell-Us-Once" initiative for sharing direct deposit and address information between CRA and Employment and Social Development Canada for Canada Pension Plan and Old Age Security payments by February 2019, and for employment insurance payments by February 2020
- > In partnership with Shared Services Canada and other government organizations, actively evaluate and develop new call centre technology for our individual enquiries call centres

Benefits planned results

The CRA's Departmental Results Framework demonstrates how CRA's work contributes both to government priorities and overall well-being of Canadians. The framework identifies the indicators that are used to assess overall progress towards the outcomes we are striving to achieve and provides a foundation for accuracy and transparency in reporting our results to Parliamentarians and Canadians.

Canadians receive their rightful benefits in a timely manner

INDICATOR	Percentage of Canada child benefit (CCB) recipients who provide complete and accurate information in order to receive the proper entitlement				
TARGET	95%	ACTUAL RESULT	2014-2015 N/A ¹	2015-2016 N/A ¹	2016-2017 95%

INDICATOR	Percentage of benefit payments issued to benefit recipients on time				
TARGET	99%	ACTUAL RESULT	2014-2015 99.9%	2015-2016 99.9%	2016-2017 99.9%

INDICATOR	Percentage of respondents satisfied with benefit application processing time				
TARGET	75%	ACTUAL RESULT	2014-2015 N/A ^{2,3}	2015-2016 N/A ^{2,3}	2016-2017 N/A ^{2,3}

INDICATOR	Percentage of taxpayers (benefit recipients) who filed as a result of targeted CRA intervention				
TARGET	10%	ACTUAL RESULT	2014-2015 N/A ^{2,3}	2015-2016 N/A ^{2,3}	2016-2017 N/A ^{2,3}

Benefits budgetary financial (dollars) and human resources (full-time equivalents)

		2018-19 Main Estimates	2018-19 Planned ⁴	2019-20 Planned ⁴	2020-21 Planned ⁴
BENEFITS	\$	482,609,132	482,609,132	474,246,261	477,744,586
	FTE		1,506	1,474	1,463

Financial, human resources and performance information for the CRA's Program Inventory is available in the [GC InfoBase](#)ⁱⁱⁱ.

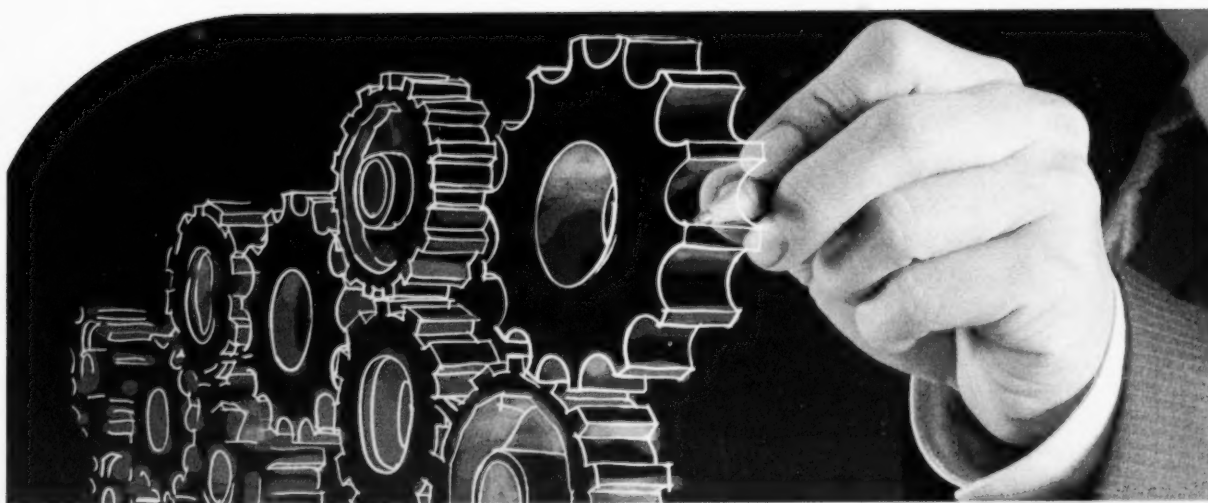
1. Data to calculate the actual number of CCB recipients who provide complete and accurate information on their applications is not provided every year.
2. This is a new indicator and therefore no prior year results are available.
3. The Treasury Board of Canada guidelines requires departments and agencies to include all departmental results, departmental result indicators and targets.
4. Planned spending is identical to expenditure levels presented in the Main Estimates.

Internal services

Description: Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: management and oversight services, communications services, legal services, human resources management services, financial management services, information management services, information technology services, real property services, materiel services, and acquisition services.

The CRA has a rigorous system of financial controls over planning and budgeting to support the efficient administration of the Government of Canada's tax and benefits system. Through an ongoing commitment to clear and well-defined accountabilities, and an efficient financial services delivery model, the CRA ensures the disbursement of its resources is done prudently and effectively, and is aligned with the strategic direction and priorities of the Agency and the Government.

The CRA's strategic priorities of service, compliance, innovation, people, and integrity and security, affect everything we do. While service and compliance are mainly outward-facing as we administer tax and benefits, internal activities and resources provide the support and oversight necessary to fulfill our organizational obligations. Encouraging innovation, fostering integrity and security, and ensuring that effective workforce management is in place, will allow the Agency to deliver results and help it achieve the goal of being a world-class tax and benefit administration.



Innovation

Economic, social, and technological changes have transformed society in ways that would have seemed unimaginable even 20 years ago. To ensure that the CRA is able to adapt to these changes and meet the service expectations of Canadians and protect Canada's revenue base, the Agency is committed to encouraging and maintaining a culture of innovation in the workplace.

Innovation is key to ensuring the Agency achieves its goal of being a world-class tax and benefit administration

Agency employees are supported in their efforts to offer new ideas, to envision new approaches to tackling issues, and to take risks and experiment. "Innovation is change that unlocks new value"¹. To this end, the CRA will continue to foster intelligent risk-taking as part of its workplace environment. The Agency will ensure that, as an organization, it has the people and processes that can clearly identify problems and issues to be resolved, as well as the outcomes desired, and that there are methodologies in place to rigorously evaluate and report on the results of the ideas and plans that have been adopted.

Since 2015, a culture of innovation, experimentation, and intelligent risk taking has been fostered within the CRA through the development of projects that focus on finding innovative solutions that can help the Agency better fulfil its core responsibilities. Important contributions in support of Agency priorities have been made, especially in relation to advanced analytics, nudge messaging, and ethnographic research. In fostering a culture of innovation, the CRA has also established collaborative relationships with other federal and provincial government departments, international counterparts, and academia, to gain new perspectives on issues touching on innovation. Over the next three years, as the Agency continues to develop new ideas and techniques to improve service to Canadians and promote taxpayer compliance, these are the main areas of focus:

1. Jamie Notter, *What Is Innovation?*, <http://jamienotter.com/2012/09/what-is-innovation/>¹

- > Applying advanced analytics and developing an enterprise-level data infrastructure to allow for improved decision making and enhanced tactical and strategic business processes. In particular, advanced analytics will assist with the development of sophisticated models to better target non-compliance.
- > Refining the use of behavioural insights and developing experimental designs for projects to better measure outcomes. This will further help to improve service to Canadians and deter non-compliance.
- > Engaging in ethnographic research to allow the CRA to gain additional insights into taxpayer behaviour.

A significant area of innovation within the Agency has been the use of business intelligence. Increasingly the CRA undertakes complex research, trend analysis, and compliance risk analysis. In this regard, the Agency is committed to enhancing and increasing its business intelligence environment to meet its ever-evolving data analysis needs, especially in the areas of audit, collection, and benefits. By 2020, the CRA anticipates that it will have renewed and optimized its business intelligence computing platform, tools, and processes to meet the key needs of Agency researchers and analysts, which in turn will better inform decision-making at the Agency.

Information technology, of course, drives many of the CRA's initiatives on innovation and the CRA is committed to adapting to new technologies. The Agency has established an Information Technology Innovation Centre to identify and make use of emerging technologies that may have an impact on how the CRA fulfils its mandate. In partnerships with other federal government departments and other tax administrations, and in consultations with information technology research and advisory firms, the CRA is exploring the use of new technologies such as cloud computing, blockchain, and robotics process automation. Leveraging these new technologies may play a significant role in helping reshape the Agency's operations, providing the means to enhance compliance activities and overall allowing the Agency to achieve its goal of delivering the best possible service to Canadians.

The Agency is especially exploring the many practical possibilities associated with artificial intelligence. In the last few years, industry has made many advances with artificial intelligence, enabling the development of computer software programs that have capabilities similar to people acting intelligently. Without being explicitly programmed, these artificial intelligence software applications can generally be trained, using various data sources, to perform human-like functions such as the ability to learn, reason, analyze, take decisions, and recognize speech and visual patterns. The Agency has recently developed an outlook for artificial intelligence that focuses on a subset of artificial intelligence technologies because of their potential business intelligence capabilities for solving CRA business issues. These subsets include Natural Language Processing, Deep Learning, Machine Learning, Computer Vision, Image Recognition, and Digital Assistants. As well, we are evaluating applications of machine learning in business intelligence and artificial intelligence technologies as a means of supporting CRA services. The applications could lead to systems that offer the possibility of providing online clients with answers to basic tax and CRA questions immediately. Artificial intelligence tools could also improve the Agency's detection of large-scale tax schemes involving numerous parties since such complex schemes are not easily uncovered.

Planning highlights

- > Ensure that the CRA has the ability to conduct advanced research, trend analysis, and compliance-risk analysis through a renewed business intelligence environment, as well as to experiment with new approaches to improve service to Canadians and promote taxpayer compliance

EXPECTED RESULTS

- > Renew the Agency's business intelligence computing platform, tools, and processes by 2020
- > Implement an Agency data program, under the leadership of a Chief Data Officer, that will provide a business-led coordinated approach to the acquisition, governance and use of data
- > Using advanced analytics, develop sophisticated models that can improve service and more effectively target non-compliance



Integrity and security

Maintaining the trust of Canadians that their confidential information will be protected and handled in a highly secure and responsible manner will always be a top priority for the CRA and informs all aspects of the Agency's activities, planning, and decision-making. The Agency is committed to protecting the privacy of taxpayer and benefit recipient information. With one of the largest and most sophisticated information technology environments in the Government of Canada, our computer systems have the capacity to ensure that stringent cyber-security mechanisms are in place to protect personal information. The continual monitoring of electronic transactions, and the use of identity and access management tools, help to prevent, detect, and mitigate unauthorized access to CRA systems. Additionally, each year employees must affirm that they have reviewed the Agency's Code of Integrity and Professional Conduct. The Code underscores the fact that employees have an essential, critical duty to fulfill in protecting the privacy and confidentiality of personal information that Canadians entrust to the Agency.

As the nature and scope of complex cyber threats evolve, the Agency's strategy for information technology security continues to progress

As the nature and scope of complex cyber threats evolve, the Agency's strategy for information technology security continues to progress in order to protect CRA data, information assets, and information technology infrastructure. In particular, the CRA's Data Security Initiative will help to further strengthen the Agency's information technology security controls, especially those over privileged-user access to taxpayer and benefit recipient information. It will also help to control and monitor information leaving the CRA, increase and enhance the protection of CRA data and databases from malicious software, and provide a secure foundation for adopting new technologies and expanding electronic services. The Initiative has 15 components with various implementation dates and all of them are expected to be completed by June 2020.

Monitoring who accesses taxpayer and benefit recipient information remains a cornerstone of the CRA's integrity and security agenda. Through the use of an enterprise fraud management solution, the Agency will conduct more proactive examinations of access to CRA systems by further enhancing the tracking, identification, and quick verification of questionable transactions to ensure that the personal information of Canadians is accessed by employees only when and as necessary.

Planning highlights

- > Implement stronger technological controls and processes to provide greater certainty that employees can access only the information they need to do their jobs and that taxpayer information is accessed only as necessary
- > Keep pace with emerging cyber-security threats to better protect the Agency's data and technology infrastructure
- > Better protect Agency information, data, and technology assets by identifying security weaknesses before they can be exploited

EXPECTED RESULTS

- > Improve proactive analysis of user actions on CRA systems containing sensitive taxpayer and benefit recipient information by March 2019
- > Complete all components of the Data Security Initiative by June 2020

Information technology

Information technology is critical to all aspects of the Agency's operations. It provides the necessary support for innovative Agency initiatives and it will continue to provide the Agency with the capacity it needs to sustain both current and emerging business needs. The support that information technology provides in designing and advancing our digital services is making it easier for Canadians to comply with their tax obligations and receive their benefit payments on time.

Shared Services Canada (SSC) is a key partner on our information technology-enabled project commitments. The Agency will continue to foster a strong partnership with SSC to support our evolving business needs.

Through our information technology services, the Agency plans to optimize the use of business intelligence to meet its evolving data analysis needs. Over the planning period, information technology improvements to infrastructure, tools, and processes, will help the CRA establish a self-service business intelligence environment that will be able to meet the key needs of researchers and analysts. This, in turn, will help support business decisions and actions.

The availability and reliability of the Agency's information technology systems are critically dependent on the information technology infrastructure services provided by Shared Services Canada (SSC). The CRA will continue to foster a strong partnership with SSC and will align with the Government's Information Technology Strategic Plan. The most significant initiative the Agency is undertaking with SSC relates to new call centre technology. The new technology will provide the capabilities that will allow external and internal clients the ability to contact a government service agent or automated self-service system through multiple channels. In partnering with SSC on this initiative, the new functionalities associated with new call centre technology means that the Agency will be able to do more targeted innovation and automation to align with the CRA's own Service Modernization agenda.

Planning highlights

- > Improve infrastructure, tools, and processes related to the use of business intelligence
- > Partner with SSC on the Government of Canada's efforts to consolidate and transform telecommunications services

EXPECTED RESULTS

- > Establish a self-service business intelligence environment by 2020 to help meet the CRA's evolving data analysis needs
- > In partnership with Shared Services Canada and other government organizations, actively evaluate and develop new call centre technology for our individual enquiries and business enquiries call centres

People

Over the next three years, the Agency will expand its recruitment strategy, continue implementing its Respectful Workplace and Well-being Strategy, and promote greater diversity and inclusion in the workplace.

Recruitment efforts will target existing and emerging workforce gaps, including specialized professions – such as auditors and data analysts – that the Agency will need in the years ahead. Our recruitment strategy is also designed to address the demographic challenges that organizations world-wide face with aging workforces and pending retirements. The plans and processes we have in place will ensure that we are able to develop our workforce and hire capable and motivated individuals with the skills required in information technology, project management, and business intelligence that can help the Agency deal with new and emerging issues in a technological environment (e.g., blockchain). Expertise in data analytics will be especially critical to our success and a top priority will be to train, attract, and retain individuals in this field. Overall, in addressing workforce gaps, the CRA will continue to modernize its recruitment products and promote consistent branding, enhance and increase its post-secondary institution outreach and engagement activities, and support targeted recruitment initiatives as required.



The CRA is committed to transparent, merit-based appointments, to help ensure gender parity, and that Indigenous Peoples and minority groups are better represented in positions of leadership.

As part of our recruitment strategy, we will also continue to enhance the Agency's online presence, expand our use of social media, and have a social media recruitment plan in place for 2019-2020. Prior to that, elements of our social media strategy will have been implemented throughout 2018 and will include developing enhanced content on the Agency's social media platforms to position the CRA as an employer of choice. For example, we will showcase our workplace culture and highlight the fact that the CRA was recognized as one of Canada's Top 100 Employers for 2018.



There are areas of under-representation in certain occupational groups and the CRA is working to address these through various efforts, including targeted recruitment campaigns, development and retention strategies, and education and sensitivity awareness training.

We will implement the Agency's Respectful Workplace and Well-being Strategy by 2019. Activities currently planned in support of the Strategy include the renewal of the CRA's Well-being website to provide employees with better information and advice on the range of support services available to them, and developing well-being products for employees both joining and leaving the CRA. The results of two surveys sent to senior management, in the context of the Strategy, will help us determine what tools are needed to better promote and foster respect, health, and employee well-being within the Agency.

In order to promote diversity and inclusion at the CRA, and in support of the Government's goal of fostering a new and better relationship with Canada's Indigenous peoples, the Agency will be implementing a Strategy for the Recruitment, Inclusion and Retention of Indigenous Peoples. The Strategy will seek to increase recruitment of Indigenous peoples, provide them with opportunities for higher-level and leadership positions, address current and anticipated under-representation, and improve the Agency's engagement with Indigenous communities overall. It will involve collaboration with other government organizations such as Indigenous and Northern Affairs Canada, Treasury Board Secretariat, Health Canada, and the Aboriginal Centre of Expertise within the Public Service Commission.

Ensuring that employees are paid accurately and in a timely manner will remain a priority. The Agency will continue to focus on the stabilization of the Phoenix pay system and the resolution of outstanding inventory. The Agency will continue to work with Public Services and Procurement Canada, its bargaining agents and other stakeholders in resolving systemic issues related to Phoenix. Regular and frequent communications will continue to be issued to all employees to provide timely updates. The Agency will be promoting training for its employees in order to increase the understanding of the pay system and how, within CRA, we can minimize the impact on everyone.

Planning highlights

- > Recruit specialized professionals and a targeted mix of different occupational groups to fill emerging workforce gaps
- > Ensure a better future for Indigenous peoples at the CRA through increased recruitment, inclusion, and retention

EXPECTED RESULTS

- > Develop a National Indigenous Community page on GConnex, launch an Indigenous student onboarding event in each region, and create a national Re-Hire Indigenous Students List to facilitate bridging into the CRA by May 2018
- > Develop enhanced content on the Agency's social media platforms to showcase the Agency's workplace culture by June 2018
- > Develop a social media recruitment plan by March 2019
- > Address the under-representation of Indigenous peoples in professional positions by reducing the gap in this job category by 50% by March 2019
- > Implement an Indigenous recruitment, retention, and promotion strategy by March 2020

Access to Information and Privacy

The Agency intends to enhance its current privacy management framework to better support the CRA's Chief Privacy Officer in overseeing sound privacy management in the CRA.

A recent initiative of the Government has been a comprehensive review of both the Access to Information Act and the Privacy Act, which reflects the Government's commitment to enhanced openness and transparency. The Treasury Board Secretariat has been leading the review of the Access to Information Act and Justice Canada has reviewed the Privacy Act. Consultations with stakeholders have included the CRA.

Legislation to amend both Acts was introduced in June 2017. Once the legislation is passed and changes to both Acts take effect, the CRA will ensure the administration of the changes is carried out effectively and efficiently so that Canadians can be assured of enhanced access to information and improved protection of their personal information.

Planning highlights

- > Improve privacy management monitoring through performance measurement tools

EXPECTED RESULTS

- > Enhance the CRA privacy management framework to support sound privacy management by March 2018
- > Participate in ongoing discussions regarding the modernization of the Access to Information Act and the Privacy Act and communicate and implement the amendments to the Acts

Internal services budgetary financial (dollars) and human resources (full-time equivalents)

		2016-18 Main Estimates	2018-19 Planned ¹	2019-20 Planned ¹	2020-21 Planned ¹
INTERNAL SERVICES	\$	925,713,343	925,713,343	921,814,270	911,882,453
	FTE		7,707	7,606	7,369

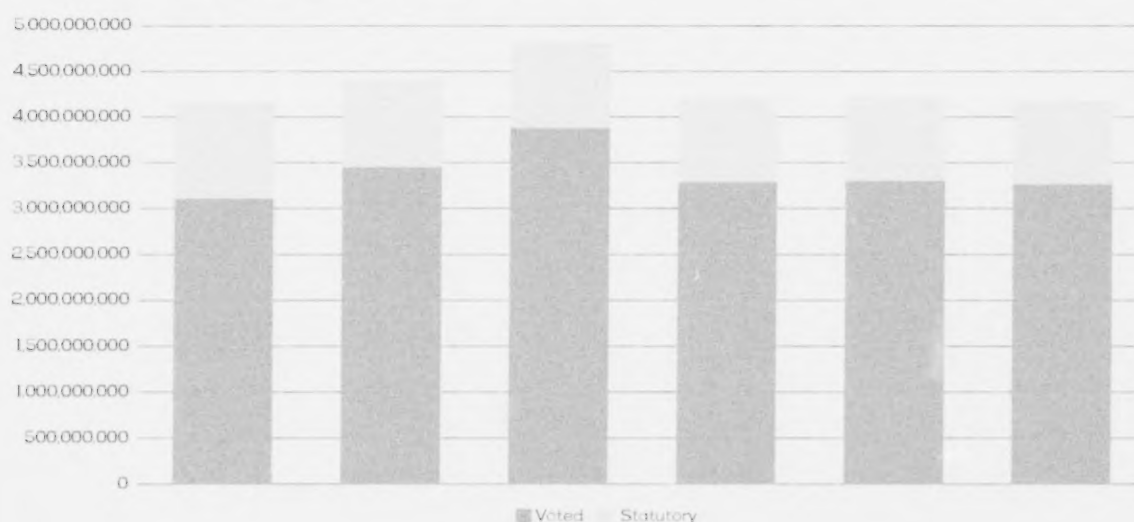
1. Planned spending is identical to expenditure levels presented in the Main Estimates.

Section 3

Spending and human resources

Planned spending

CRA spending trend (dollars)



	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Actuals		Forecast Spending	Planned Spending		
Statutory	1,034,149,642	936,635,156	942,479,230	916,610,222	913,826,933	911,597,459
Voted	3,112,837,652	3,453,312,607	3,877,966,949	3,288,115,538	3,304,601,598	3,265,420,851
Total	4,146,987,294	4,389,947,763	4,820,446,179	4,204,725,760	4,218,428,531	4,177,018,310

In fiscal year 2018-19, Planned Spending is identical to expenditure levels presented in the Main Estimates.

The spending trend figure shows all parliamentary appropriations (Main Estimates and Supplementary Estimates) and revenue sources provided to the CRA for: policy and operational initiatives arising from various federal budgets and economic statements, transfers from Public Services and Procurement Canada for accommodations and real property services, disbursements under the Softwood Lumber Agreement, children's special allowance payments, as well as the implementation of initiatives to improve efficiency.

Actual and forecast spending for fiscal years 2015-16 to 2017-18 also includes technical adjustments such as the CRA's carry-forward from the previous year and funding for maternity and severance benefits. In the 2017-18 fiscal year, a significant portion of the increase in spending is associated with the cash out of severance benefits upon resignation or retirement for employees represented by the Public Service Alliance of Canada (PSAC) bargaining unit.

Over the period 2015-16 to 2020-21, the CRA's voted appropriations show an increase primarily as a result of funding received to implement and administer various measures announced in the federal budgets, transfers from Public Services and Procurement Canada for accommodation and real property services, as well as wage settlements. The 2016-17 and 2017-18 fiscal years also reflect higher spending as a result of retroactive payments associated with collective bargaining increases for employees represented by the PSAC and Professional Institute of the Public Service of Canada bargaining units, including amounts set aside in anticipation of wage settlements for the period under the operating budget freeze.

The above increases have been partially offset by planned decreases in funding for the upgrade of the individual income tax processing system and the administration of the Softwood Lumber Agreement, as well as other miscellaneous items such as decreases in Government advertising programs and the transfer of CRA training programs to the Canada School of Public Service.

Over the period 2015-16 to 2020-21, the CRA's statutory authorities show a decrease primarily due to a reduction in disbursements to the provinces following the expiration of the Softwood Lumber Agreement and changes in employee benefit plan rates. These decreases have been partially offset by increases for children's special allowance payments.

Budgetary planning summary for Core Responsibilities and Internal Services (dollars)

Core responsibilities and internal services	2015-16 Expenditures	2016-17 Expenditures	2017-18 Forecast	2018-19 Main Estimates	2018-19 Planned	2019-20 Planned	2020-21 Planned
Tax	2,778,029,782	2,919,596,085	3,151,651,179	2,793,270,920	2,793,270,920	2,819,226,312	2,784,245,038
Benefits	449,400,252	475,216,775	503,214,849	482,609,132	482,609,132	474,246,261	477,744,586
Taxpayers' Ombudsman ¹	2,047,159	2,894,786	3,518,640	3,132,365	3,132,365	3,141,688	3,146,233
Subtotal	3,229,477,193	3,397,707,646	3,658,384,668	3,279,012,417	3,279,012,417	3,296,614,261	3,265,135,857
Internal services	917,510,101	992,240,117	1,162,061,511	925,713,343	925,713,343	921,814,270	911,882,453
Total Canada Revenue Agency	4,146,987,294	4,389,947,763	4,820,446,179	4,204,725,760	4,204,725,760	4,218,428,531	4,177,018,310

¹ Since the Taxpayers' Ombudsman operates at arm's-length from the CRA, this Departmental Plan does not reflect the activities of that office.

Over the planning period (from \$4.205 billion in 2018-19 to \$4.177 billion in 2020-21), the CRA's appropriations show a slight reduction primarily as a result of planned decreases in funding received to implement and administer various measures announced in the federal budgets as well as in funding for the upgrade of the individual income tax processing system. These reductions have been partially offset by increases associated with adjustments to accommodation and real property services and increases to the CRA's statutory authorities for children's special allowance payments.

Forecast spending in the 2017-18 fiscal year includes a significant increase associated with the cash out of severance benefits upon resignation or retirement for employees represented by the Public Service Alliance of Canada (PSAC) bargaining unit. The 2016-17 and 2017-18 fiscal years also reflect higher spending as a result of retroactive payments associated with collective bargaining increases for employees represented by the PSAC and Professional Institute of the Public Service of Canada bargaining units, including amounts set aside in anticipation of wage settlements for the period under the operating budget freeze.

Planned human resources

Human resources planning summary for Core Responsibilities and Internal Services (full-time equivalents)

Core responsibilities and internal services ¹	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Planned	2019-20 Planned	2020-21 Planned
Tax	28,981	29,529	30,737	30,691	30,882	30,357
Benefits	1,287	1,299	1,558	1,506	1,474	1,463
Taxpayers' Ombudsman ²	21	25	31	31	31	31
Subtotal	30,289	30,853	32,326	32,228	32,387	31,851
Internal services	7,688	7,875	8,214	7,707	7,606	7,369
Total Canada Revenue Agency	37,977	38,728	40,540	39,935	39,993	39,220

¹ The estimates are subject to change based on Budget 2018 financing.

² Since the Taxpayers' Ombudsman operates at arm's-length from the CRA, this Departmental Plan does not reflect the activities of that office.

The increase in forecasted FTEs in 2017-18 is largely attributable to new funding received to implement and administer measures announced in the 2017 Federal Budget as well as growth in funding for measures announced in the 2016 Federal Budget. The 2017-18 fiscal year also reflects an increase in FTEs associated with funding to address operational priorities.

Over the planning period the reduction in FTEs (from 39,935 in 2018-19 to 39,220 in 2020-21) is primarily the result of planned decreases in funding received for various measures announced in the federal budgets as well as reductions in planned investment projects.

Estimates by vote

For information on the CRA's organizational appropriations, consult the [2018-19 Main Estimates](#)^v.

Future-oriented condensed statement of operations

The future oriented condensed statement of operations provides a general overview of the CRA's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the future oriented condensed statement of operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Departmental Plan are prepared on an expenditure basis, amounts may differ.

A more detailed future oriented statement of operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on the [CRA's website](#)^{vi}.

Future oriented condensed statement of operations for the year ended March 31, 2019 (dollars)

Financial information	2017-18 Forecast results	2018-19 Planned results	Difference (2018-19 planned results minus 2017-18 forecast results)
Total expenses	4,939,780,118	4,942,344,829	2,564,711
Total revenues	517,695,074	508,381,231	(9,313,843)
Net cost of operations before government funding and transfers	4,422,085,044	4,433,963,598	11,878,554

Section 4

Supplementary information

Corporate information

Organizational profile

Appropriate minister: The Honourable Diane LeBouthillier, P.C., M.P.

Institutional head: Bob Hamilton

Ministerial Portfolio: National Revenue

Enabling instrument: Canada Revenue Agency Act^{vii}

Year of commencement: 1999

Raison d'être, mandate, role, operating context and key risks

The information is available on the CRA's website^{vi}.

Reporting framework

The CRA's Departmental Results Framework and Program Inventory of record for 2018-19 are shown below:

Departmental results framework

Core responsibility	Departmental result	Indicator	Program	
Tax	Canadians comply with tax obligations, non-compliance is addressed, and Canadians have access to appropriate mechanisms for resolving disputes	- Percentage of filers who have filed a tax return by their due date - Percentage of known businesses registered for GST/HST - Percentage of reported taxes (including instalments) and source deductions that are paid on time - Percentage of external service standards targets that are met or mostly met - Public Perception Index: score compared to baseline - Percentage of total volume of improved correspondence (i.e. changes to structure, design, language and format) - Percentage of services available online - Number of Community Volunteer Income Tax Program returns completed - Complete an online consultation open to charities and the public - Incremental revenue resulting from Budget 2016 investments - Incremental debt collected (resolved) resulting from Budget 2016 investments	- Tax Services and Processing - Returns compliance - Collections - Domestic compliance - International and Large Business Compliance and Criminal Investigations - Objections and Appeals - Taxpayer Relief - Service Complaints - Charities - Registered Plans - Policy, Rulings, and Interpretations	Information
Benefits	Canadians receive their rightful benefits in a timely manner	- Percentage of Canada Child Benefit (CCB) recipients who provide complete and accurate information in order to receive the proper entitlement - Percentage of benefit payments issued to benefit recipients on time - Percentage of respondents satisfied with benefit application processing time - Percentage of taxpayers (benefit recipients) who filed a return as a result of targeted CRA intervention	Benefits	Services
Taxpayers' Ombudsman	Canadians have access to trusted and independent review of service complaints about the CRA	- Percentage of recommendations made by the Ombudsman to the Minister in systemic examination reports that will be acted upon by the CRA - Percentage of taxpayer complaints acknowledged within two business days - Percentage of individual complaint examinations resulting in the CRA taking action	Taxpayers' Ombudsman	Interventions

Supporting information on the Program Inventory

Supporting information on planned expenditures, human resources, and results related to the CRA's Program Inventory is available in the [GC InfoBase](#)ⁱⁱⁱ.

Supplementary information tables

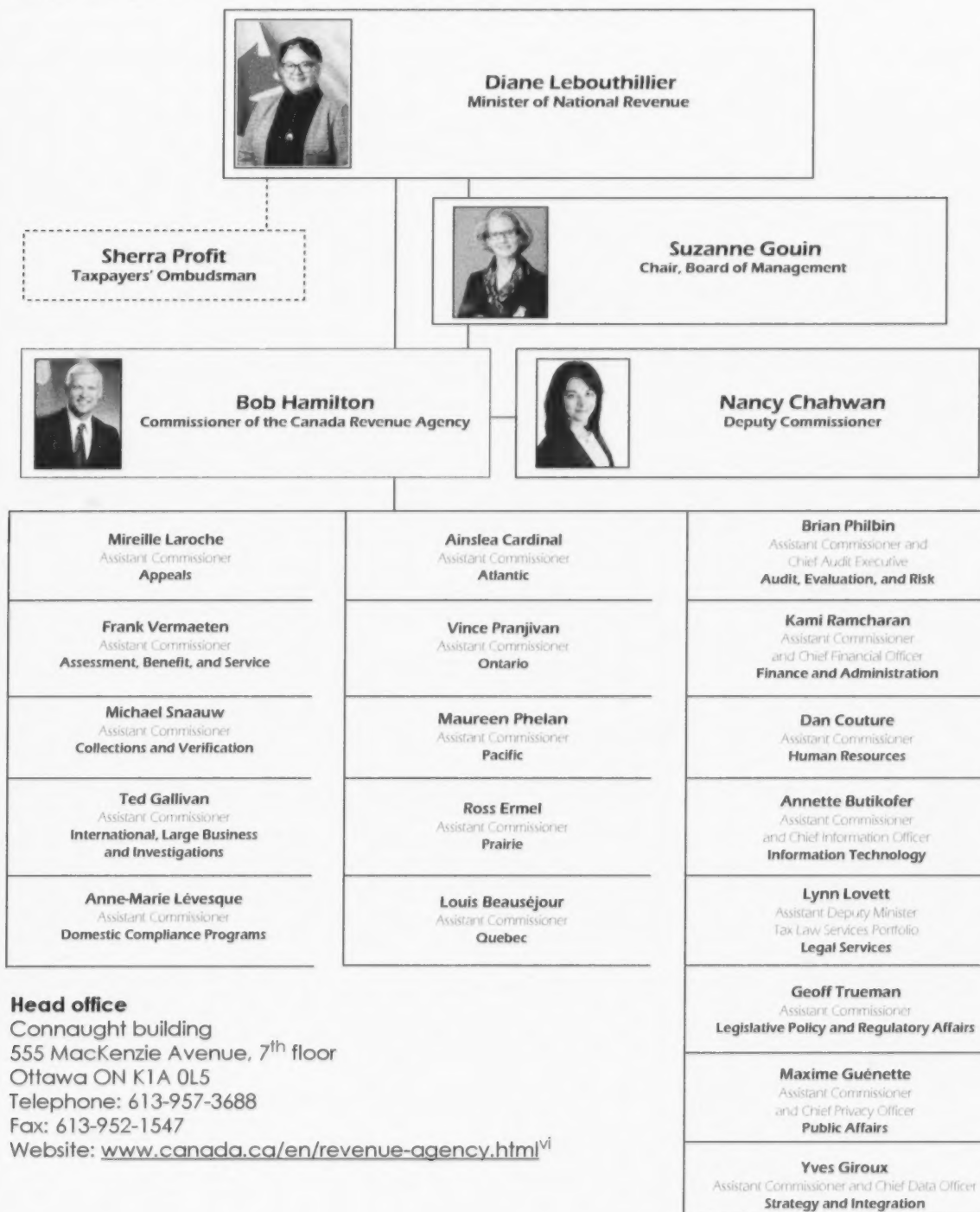
The following supplementary information tables are available on the [CRA's website](#)^{vi}.

- > CRA Sustainable Development Strategy
- > Details on transfer payment programs of \$5 million or more
- > Future Oriented Statement of Operations
- > Gender-Based Analysis Plus
- > Operating context and key risks
- > Planned evaluation coverage over the next five fiscal years
- > Planned Spending and Full-Time Equivalents
- > Raison d'être, mandate and role
- > Service standards
- > Upcoming internal audits for the coming fiscal year

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals, and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the [Report on Federal Tax Expenditures](#)^{viii}. This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational contact information



As of April 2018

Definitions

Appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

Budgetary expenditures: Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Core Responsibility: An enduring function or role performed by a department. The intentions of the department with respect to a Core Responsibility are reflected in one or more related Departmental Results that the department seeks to contribute to or influence.

Departmental Plan: A report on the plans and expected performance of appropriated departments over a three year period. Departmental Plans are tabled in Parliament each spring.

Departmental Result: Any change or changes that the department seeks to influence. A Departmental Result is often outside departments' immediate control, but it should be influenced by Program-level outcomes.

Departmental Result Indicator: A factor or variable that provides a valid and reliable means to measure or describe progress on a Departmental Result.

Departmental Results Framework: The department's Core Responsibilities, Departmental Results, and Departmental Result Indicators.

Departmental Results Report: A report on the actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

Experimentation: Activities that seek to explore, test and compare the effects and impacts of policies, interventions and approaches, to inform evidence-based decision-making, by learning what works and what does not.

Full-time equivalent: A measure of the extent to which an employee represents a full person year charge against a departmental budget. Full time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Gender-based Analysis Plus: An analytical process used to help identify the potential impacts of policies, programs, and services on diverse groups of women, men, and gender-diverse people. The "plus" acknowledges that GBA goes beyond sex and gender differences to consider multiple identity factors that intersect to make people who they are (such as race, ethnicity, religion, age, and mental or physical disability).

Government-wide priorities: For the purpose of the 2018-19 Departmental Plan, government-wide priorities refers to those high-level themes outlining the government's agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada's Strength; and Security and Opportunity.

Horizontal initiative: An initiative in which two or more federal organizations, through an approved funding agreement, work toward achieving clearly defined shared outcomes, and which has been designated (by Cabinet, a central agency, etc.) as a horizontal initiative for managing and reporting purposes.

Non-budgetary expenditures: Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

Performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

Performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

Performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability, and transparency.

Planned spending: For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts presented in the Main Estimates. A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

Plan: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

Priority: A plan or project that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired departmental results.

Program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the strategic outcome(s) to which they contribute.

Results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Statutory expenditures: Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic outcome: A long term and enduring benefit to Canadians that is linked to the organization's mandate, vision, and core functions.

Sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level, and duration.

Target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

Voted expenditures: Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Endnotes

- i. Copyright, www.canada.ca/en/transparency/terms.html
- ii. 2016 Fall Report of the Office of the Auditor General, www.oag-bvg.gc.ca/internet/English/parl_oag_201611_02_e_41831.html
- iii. GC InfoBase, www.tbs-sct.gc.ca/cms-sgd/cdb-bdd/index-eng.html#start
- iv. Jamie Notter, What Is Innovation?, jamienotter.com/2012/09/what-is-innovation/
- v. 2018-19 Main Estimates, www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates.html
- vi. CRA website, www.canada.ca/en/revenue-agency.html
- vii. Canada Revenue Agency Act, www.laws-lois.justice.gc.ca/eng/acts/C-10.11/
- viii. Report on Federal Tax Expenditures, www.fin.gc.ca/purl/taxexp-eng.asp